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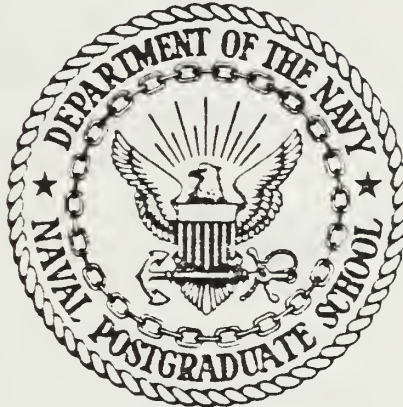






# NAVAL POSTGRADUATE SCHOOL

Monterey, California



## THESIS

ECONOMIC SANCTIONS AND THE  
U.S. NATIONAL INTEREST

by

Craig R. Knouse

December 1986

Thesis Advisor:

Robert E. Looney

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Economic Sanctions and the U.S. National Interest

by

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Submitted in partial fulfillment of the  
requirements for the degree of

MASTER OF ARTS IN NATIONAL SECURITY AFFAIRS

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December 1986

## ABSTRACT

Economic sanctions appear to be gaining wider usage by the United States. To date however, policymakers have often imposed sanctions with little information as to their likely impact on the target country. Do past successful sanctions have an element of commonality so that policymakers can gain guidance as to the situations in which sanctions are likely to meet their stated goals? Using a recently compiled database on past sanctions, it is demonstrated that no clear pattern can be found differentiating successful from unsuccessful sanctions. Because of the inability to be able to predict whether a new sanction will be successful or unsuccessful, their usefulness is seriously questioned.

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## I. INTRODUCTION

The United States has chosen, in recent years, to utilize economic sanctions as a cure for many foreign policy dilemmas. The recent sanctions imposed against Iran, Libya, Nicaragua, and South Africa are clear examples of the United States' willingness to impose sanctions to achieve the target's compliance with various U.S. foreign policy goals. Sanctions are not the only possible tools for implementing a foreign policy goal. If a continuum were drawn with force on the left and diplomacy on the right, sanctions would fit between the two and be closer to diplomacy, since they clearly are not a use of regular force, nor are they a diplomatic endeavor. By using sanctions instead of force or diplomacy, can the U.S. guarantee with a reasonable amount of certainty that a goal will be accomplished? Are there differences between a successful sanction and an unsuccessful one? Can those differences be used to predict whether a sanction episode will be successful? Additionally, are the goals of sanction episodes in the national interest of the United States? What is the national interest of the United States? This thesis will address these questions. The empirical sections of the thesis will examine the use of economic sanctions in order to determine whether their impact on the target country can be accurately predicted.

Based on this analysis, implications for the use of sanctions to further the U.S. national interest are drawn.

#### A. HYPOTHESIS

Based on historical experience, situations can be identified--based on political, military, economic and geographic factors in which sanctions can be implemented successfully. Vital United States' foreign policy goals can therefore be achieved through the use of economic sanctions in these situations. Furthermore, because the policy impact of sanctions can be assessed prior to implementation, it is possible to use sanctions consistently in the national interest.

#### B. METHODOLOGY

Three computer-aided methods will be used to differentiate the circumstances surrounding successful from unsuccessful sanctions. In part, vagueness in the literature concerning the manner in which sanctions are successful makes formal model construction difficult. More precisely the literature is unclear as to what set of conditions are necessary and sufficient for sanctions to be successful. The literature is even more unclear as to variables reflective of the attainment of successful sanctions. The first step in the empirical assessment of sanctions therefore is one of data reduction, i.e., out of the many variables suggestive as reflective of successful sanctions, factor

analysis<sup>1</sup> is used to determine which are redundant. The variables identified as potentially useful in examining sanctions are then used as the basis of distinguishing successful sanction cases from those that were unsuccessful. More specifically, the variables identified as reflecting the major dimensions of the data are utilized in a discriminant analysis<sup>2</sup> to determine if they reflect the necessary and sufficient conditions for success in implementing sanctions. In particular this analysis attempts to see if it is possible to identify a limited set of conditions necessary for the successful implementation of a sanction policy.

#### C. ORGANIZATION OF THE STUDY

Chapter II examines the literature on the foundations of the national interest. Various methods for gauging the national interest will be identified with one method chosen for later use in this analysis. Literature pertaining to economic sanctions will be reviewed in the following chapter. In brief, a reading of the sanctions literature indicates a consensus among scholars that sanctions seldom work. Various theories about the characteristics of sanctions will be presented. Reasons for success and failure of sanctions will be quantified and used in the next chapter.

Chapter IV will use the computer-aided methods discussed, to try to accurately predict a successful sanction. The groupings will include all public sanctions imposed since 1914, sanction episodes divided by goals of the



sender, pre- and post-World War II sanctions and finally, U.S. and non-U.S. instituted sanctions. The results from the empirical analysis will be evaluated in the next chapter.

Chapter VI will put aside the empirical results and use one of the methods discussed in Chapter II to evaluate whether economic sanctions are in the national interest of the U.S. The final chapter will compare the empirical results with the national interest evaluation to decide if the hypothesis can be accepted or rejected.

## II. THE NATIONAL INTEREST

The concept of the national interest is freely used by politicians and scholars alike even though there is no clear consensus as to its exact nature.<sup>3</sup> Politicians use the concept to justify policy decisions and to influence public opinion towards the acceptance of that policy. Scholars use the concept to try to explain a state's behavior and then to further predict the direction of that state's foreign policy. In each instance the use of the term has proven to be less than satisfactory in justifying decisions and motives. It is an elusive concept to define and remains ambiguous even after the most scholarly attempts at interpretation. The definitions have proven not to have applicability in all political situations. The problem, in part, lies in the fact that "the national interest is rooted in values."<sup>4</sup> Most scholars agree with Stephan Bailey when he says that the public interest is the "central concept of a civilized polity,"<sup>5</sup> but what use the national interest should have continues to be a matter for debate.

The national interest, although uncertain as a concept, can be used as an instrument of political action and as an analytic tool. James Rosenau argues that,

as an analytic tool, it is employed to describe, explain, or evaluate the sources or the adequacy of a nation's foreign policy. As an instrument of political action, it

serves as a means of justifying, denouncing, or proposing policies.<sup>6</sup>

There is a third use of the national interest and that is as a predictor of the future direction a nation's foreign policy might take. Each use implies that the national interest is well-understood and that there is general agreement as to exactly what the concept implies. As previously stated, that is not the case. There are still problems identifying whether the national interest reflects a nation's ultimate goals or just the instrumental means employed to achieve those ultimate goals. Another aspect of the debate on the use of the national interest is whether it reflects a realist or idealist approach to policymaking.

#### A. THE PUBLIC INTEREST

The aforementioned disagreement on the various interpretations of the national interest has its roots in early discussions of the public interest. Therefore, an understanding of the national interest must begin with an understanding of the public interest. Hans Morgenthau was the first to propose that the public interest is distinct from the national interest in that it pertains to the domestic policies pursued by policymakers rather than the international ones reflected in the national interest. From the beginning of organized polity there has existed the concept which eventually evolved into the public interest. The terms "will of the prince" and "dynastic interests" were the

early manifestations of the national interest.<sup>7</sup> Only as the concept of "nation" emerged was the term adopted and used, often interchangeably with the public interest. That the subject was in need of further attention and some systematic clarification was recognized by the American Political Science Association, which in 1960 chose The Public Interest as its topic for discussion. The yearbook of essays which resulted from this distinction, published in 1962 as The Public Interest edited by Carl Friedrich, was a collection of 19 differing viewpoints on how best to define the term. The essays can be grouped into three competing and equally attractive theories for discussion. First is the idea that the public interest can be framed in totally moral or ethical terms. Others, however, believe it should reflect the aggregate of individual utility as expressed in purely economic terms. The third group of authors believes that it should be based entirely on normative data--norms in the society that can be measured. This shows from the outset that the term can be viewed from various approaches and achieve differing results.

Another grouping of the theories on the public interest can be found in Glendon Schubert's The Public Interest, published in 1960. Schubert divides the competing theories into the rationalist, idealist, and realist camps.<sup>8</sup> The idea that the public interest can shift with time and must be considered as changing with circumstances is explained as

well. The most perplexing conclusion of Schubert, however, is that although the above models of rationalist, idealist and realist describe the prevailing theories, none can be used to describe actual behavior of states when carrying out foreign policy. He concurs with the noted journalist Walter Lippman that the United States once had a public philosophy based on the Constitution but does not have one now.

Yet another approach to the public interest is that of William Meyer in his book Public Good and Political Authority. Meyer equates the public interest with the public good. He believes that the public good is a set of social beliefs which can bring about an agreement among different groups of people. His test of the public good is one of workability and the amount of satisfaction the public can find in it. The social beliefs mentioned above are a result of people's experiences and can change. Therefore the public good is of a relative, not absolute, nature.

This sample of theories regarding the definition of the public interest shows that there is disagreement on method and the framework for analysis, even on results.

## B. AMERICAN SOCIAL AND POLITICAL LITERATURE

The American concept of the public interest was heavily influenced by America's unique political and social history. It must be remembered that social and political analysis reflect the methods available to researchers during their time period.



The evolution of America from a primarily agrarian society to an industrial one was described by Vernon Parrington in Main Currents in American Thought: Vol. II, 1800-1860. He proposed that this transformation, along with the rise of capitalism and the influence of French romantic theories, combined to produce social thought that became uniquely American. This singular American vision of the universe was not either materialistic or idealistic, as thought by Europeans, but was a vision in which the universe could be both materialistic and idealistic. Thus the concept of pluralism now crept its way into American social thought. Pluralism had earlier entered the political realm when James Madison explained it using the theory of interest groups in the tenth of the Federalist Papers.

A major element in the transformation of European thought into American attitudes was the influence of "the frontier philosophy," as described by Henry Smith in Virgin Land: The American West as Symbol and Myth. He paints a picture of the stark reality of the bleak, open prairie which greeted the pioneers and compares that to the purported myth of a vast golden and generous land available to the settlers. The frontier frame of mind and the development of a type of plebian democracy contributed substantially to what was to become the American's image of their national identity. This frontier mentality was checked by Richard Reeves in his American Journey, and updated to see

if the mentality still existed in the 1980's. He traced the steps of Alexis de Tocqueville's 1830 journey and found enough changes to postulate that the original Puritan republic had been replaced by a selfish democracy.

American social thought went through another stage of development during the years leading up to and including the First World War. Barbara Tuchman<sup>9</sup> postulates that it was not really "the good old days," but was actually a time of anarchists not unlike today's terrorists, looking for a violent spark to promote their point of view. In Europe, trans-nationalism was replaced by the nationalism which served as the driving force in many political matters and eventually plunged the continent into war. During the same time period there was a cultural revolution occurring in the United States, according to Henry F. May.<sup>10</sup> Feelings of patriotism, optimism and assurance were being replaced with a disenchantment and disillusionment, due to the failure of World War I to fulfill the idealistic and romantic hopes of the populace. The stark reality of the horrifying slaughter in the trenches was the final blow that shattered America's practical idealism and transformed its attitudes and values to a more cynical view of the world.

The end of World War I, combined with the Great Depression, another world war, and the development of the atomic bomb all contributed to yet another reorientation of American values. The liberal tradition penetrated American

social and political thought from that time possibly up until the election of Ronald Reagan. With the advent of such concepts as "interdependence" and other concepts connoting the shape of the new world order, the public interest has become synonymous with the national interest. The use of scarce resources to fill the needs of the public interest also impacts on the national interest.

### C. APPROACHES TO THE NATIONAL INTEREST

There are myriad approaches to the complex subject of the national interest. It is easily defined in simplistic terms such as "the President thinks it should be that way" or in a more complex but hardly operational form such as "it is an expression of the national identity of the nation involved." A different approach is to say that the national interest should really be an international interest, since nation-states are predicted to disappear in the future. The majority of the theories on the definition of the national interest fall into three categories: the logical-deductive, operationalist, or the empirical-inductive approach.<sup>11</sup> There are, of course, a few writings that will not fall within these categories. Robert Johansen cannot be accurately classified as one of the mentioned approaches but does contribute to the knowledge level of the subject. Johansen believes that the national interest should be approached from a global humanist framework. For him, the four basic interests are termed world order values

comprising "peace without national military arsenals, economic well-being for all inhabitants on the earth, universal human rights and social justice, and ecological balance."<sup>12</sup> Friedrich Kratochwil, another exception proposes that the national interest can be learned from studying the related concept of the public interest. His contribution to the study of the national interest is that he believes it is situational.

### 1. Logical-Deductive Approach

The logical-deductive approach has been described by Stephan Krasner as assuming "that states will pursue certain objectives--in particular, preserving territorial and political integrity."<sup>13</sup> This formulation of the national interest is very similar to James Rosenau's description of "objectivists." He states that,

. . . the best interests of a nation is a matter of objective reality and that by describing this reality one is able to use the concept of the national interest as a basis for evaluating the appropriateness of the policies which a nation pursues.<sup>14</sup>

The objective reality in the form of objectives is most often thought of in terms of power. Hans Morgenthau could easily be labeled as a follower of this approach to the national interest. His view of the objectives that a state would pursue are based on an objective assessment of the power of that nation. There are problems with this approach, not the least of which is that objectivity is always relative. The second problem is that the assessment



of power is also a subjective determination, since power is an influence process and probably is understood as well as the national interest is in the literature. The final problem with this approach is that it may well answer policy questions related to core objectives of states but there is no way to use this approach to explain the peripheral objectives of nations.

## 2. The Operationalists' Approach

The crux of this approach is the focus on formulating an operational definition of the national interest. This is necessarily the most complex approach to the problem of the national interest. To adopt this approach an analyst must include items of the situational nature of the concept as well as the national identity of the nation, both difficult to formulate. One such attempt to operationalize the national interest can be found in an article entitled "The Quest for an Operational Definition of the National interest." The author has attempted to identify three component parts of the national interest.<sup>15</sup>

### a. The Historical-Cultural Foundation

This is a body of experience and political-legal structure which articulates a particular conception of reality. A "sociology of knowledge model" is constructed which shows a hierarchal linkage between individual thought, social thought, and action. Metaphysical concepts structure attitudes, and these attitudes in turn influence the frame



of reference of political perceptions. There are three systems which could develop to answer the question of the nature of man: materialistic, idealistic, and the pluralistic.

b. The Problematic or Situational Context

This is the real world demands that both initiate the decision-making process and provide the context in which that process takes place. This is similar to Kratochwil's comment on the situational nature of the concept.

c. The Hierarchy of Perceived or Actual Needs

This develops from the interaction of the first two components and produces a process which varies with the political system in question. The American system, abounding in pluralism, can only interact in a context of compromise and consensus.

The author agrees that the national interest is difficult to operationalize, especially in the context of the pluralistic system employed by the United States. The problem is that "at the present time there is no formal machinery for synthesizing diverse political knowledge into a national consensus."<sup>16</sup> Herein lies the root of the problem--finding the necessary machinery to channel the diverse opinions into an organized national effort. This approach is intellectually the most sophisticated but the problem of a clear definition of a national interest is not answered.

### 3. The Empirical-Inductive Approach

The final approach deals with what Stephan Krasner articulates as the "national interest is induced from the statements and behavior of central decisionmakers."<sup>17</sup> He puts a qualifier on the above definition that "the actions of leaders must be related to general objectives, not to the preferences or needs of any particular group or class . . . ." and that "the ordering of preferences must persist over time."<sup>18</sup> This approach is similar to that of the subjectivists outlined by James Rosenau. The subjectivists believe that the national interest is not objective but is "a pluralistic set of subjective preferences that change whenever the requirements and aspirations of the nation's members change."<sup>19</sup> Both of these frameworks reject the objective outline of the national interest and propose that decisionmakers' actions and policies can be analyzed to determine the national interest.

Donald Nuechterlein could be described as using the empirical-inductive approach to the national interest. He outlines the basic national interests of each state into four distinct groups:<sup>20</sup>

1. Defense interests: the protection of the nation-state and its citizens against the threat of physical violence directed from another state or against an externally inspired threat to its system of government.
2. Economic interests: the enhancement of the nation-state's economic well-being in relations with other states.

3. World order interests: the maintenance of an international political and economic system in which the nation-state may feel secure and in which its citizens and commerce may operate peacefully outside its borders.
4. Ideological interests: the protection and furtherance of a set of values that the citizens of a nation-state share and believe to be universally good.

The basic national interests must be put into a hierarchical structure depending on the situation in question. To establish a system of ranking, Nuechterlein develops what he terms "intensities of interest." These are, in descending order of intensity:<sup>21</sup>

1. Survival issues: when the very existence of a nation-state is in jeopardy, as a result of overt military attack on its own territory, or from the threat of attack if an enemy's demands are rejected.
2. Vital issues: when serious harm will very likely result to the state unless strong measures, including the use of conventional military forces, are employed to counter an adverse action by another state or to deter it from undertaking a serious provocation.
3. Major issues: when a state's political, economic, and ideological well-being may be adversely affected by events and trends in the international environment and thus requires corrective action in order to prevent them from becoming serious threats (vital issues).
4. Peripheral issues: when a state's well-being is not adversely affected by events or trends abroad, but when the interests of private citizens and companies operating in other countries might be endangered.

To operationalize the concepts presented above Nuechterlein has devised a matrix to evaluate each policy issue under question. The subjective nature of his approach comes to the forefront when the analyst is required to determine whether the basic national interest in question is of a

survival, vital, major, or peripheral intensity. The basic formulation of the matrix would look like this:<sup>22</sup>

Country:	Issue:
<u>Basic interest at stake</u>	<u>Intensity of interest</u>
	<u>Survival Vital Major Peripheral</u>
Defense of the homeland	
Economic well-being	
Favorable world order	
Ideological	

The fatal flaw in this approach goes back to the assertion by Rosenau that the national interest is rooted in values. The values which are unconsciously held prejudice the analyst in his ranking of the intensities of interest. Since the nature of this research effort is empirical, the choice of which approach to follow is limited to the empirical-inductive approach. A matrix similar to the one presented above will be formulated to assess the question of whether economic sanctions are in the national interest. There still remains the problem of defining the concept of the national interest to be used in this research effort.

#### D. DEFINITION OF THE NATIONAL INTEREST

A very simplified definition could be that the national interest is whatever Congress says it is when they approve the country's budget each fiscal year. There is some element of the truth in that statement. Whatever programs that

are funded must be in the best interests of the nation, therefore they must be in the national interest. Unfortunately that proposition must be rejected. Another simplified definition could be that the President articulates what the national interest is each year when he delivers his State of the Union address. Again the elements of the preceding discussion seem to be missing from that definition. Those elements summarized include:

- There is a situational element in the national interest
- Cultural context plays an important part in the development of the national identity which is in turn reflected in the national interest
- The concept of pluralism must be included when defining the national interest
- Each issue must be able to be prioritized by policymakers
- Values play an important role in the national interest
- The policies selected must be shown to be consistent over time
- There must be an element of legitimacy in the determination of policies.

Putting all of those characteristics together is a complex task which has not yet been successfully completed by politician or scholar alike. For the purposes of this research effort a combination of Nuechterlein and Krasner will be utilized. "The national interest is the perceived needs and desires of one sovereign state in relation to the sovereign states comprising its external environment."<sup>23</sup> The needs and desires will be "induced from the statements



and behavior of central decisionmakers."<sup>24</sup> The evaluation will actually center more on the results of that behavior, namely the cases where sanctions have been publicly imposed.

#### E. SUMMARY

The initial portion of the discussion of the national interest centered on the problems associated with defining the concept. The national interest is rooted in values which tends to bias any approach to the problem. It has been used as an analytic tool and as an instrument of political action. The results of the search have shown that the definitions have been ambiguous and elusive. The national interest has evolved from simply the will of the prince to a concept of the public interest. The public interest theories were surveyed and the same problems of ambiguity were seen. The public interest was further shown to apply to only those policies that were domestically related, at least since the time of Hans Morganthau. The influence of social and political writings was shown.

There were three approaches to defining the national interest in the present day. They were the logical-deductive, operationalist, and empirical-inductive approaches. The present day national interest was shown to also include the public interest because the resources required for the national interest would impinge on the domestic front. The empirical-inductive approach was chosen in keeping with the general slant of this research effort.

There are problems with each of the approaches but Nuechterlein's matrix was picked for ease of operation in presenting the economic sanctions as a whole.

### III. ECONOMIC SANCTIONS

The term sanction, in its generally accepted form, means the use of some type of measure to regulate human behavior towards a socially acceptable standard. Economic sanctions in that sense are no different from societal sanctions. They attempt to regulate behavior on a much grander scale, that of nation-states. The behavior modification expected by sanctions is performed by the use of coercion. If a state follows the rules of law according to a consensus of states, then it may escape international behavior modification techniques. There has been debate in the literature over the exact definition of sanctions. Some authors prefer the following strictly legal definition:

sanctions in the context of a legal system are negative measures which seek to influence conduct by threatening and, if necessary, imposing penalties for non-conformity with law.<sup>25</sup>

Others define sanctions as:

. . . actions initiated by one or more international actors (the 'senders') against one or more others (the 'receivers') with either or both of two purposes: to punish the receivers by depriving them of some value and/or to make the receivers comply with certain norms the senders deem important.<sup>26</sup>

The most common and simplified definition is "economic sanctions are economic measures directed to political objectives."<sup>27</sup> Implicit in all the definitions is the assumption

that economic measures can have a political effect. For the purposes of this paper the last definition will be used.

Sanctions must be differentiated from the concept of economic warfare. Economic warfare usually includes military measures and is used during a time of war or other instances of overt violence. Economic sanctions can be used both during war and peace. Sanctions also differ from economic warfare in that sanctions usually do not have total victory as the goal. Economic warfare is aimed at the facilities for producing wartime goods and machinery, while sanctions are usually aimed at some peacetime capability. There are exceptions, such as the strategic embargo used by the West toward the Communist countries which is aimed at war-type materials yet is conducted in a period where overt conflict is absent. A strategic embargo is one type of sanction, yet there are many other forms a sanction may take.

#### A. TYPES OF SANCTIONS

Sanctions may, according to Johan Galtung,<sup>28</sup> be of a diplomatic, communication, or economic nature. Diplomatic sanctions consist of such items as non-recognition and rupture of diplomatic relations, to name a few. Communication sanctions can consist of loss of mail contact or loss of general telecommunications or transportation. Loss of news communications can also be a form of a communication sanction.

Economic sanctions can be classified according to the number of states that initiate the action. There can be one government responsible, termed unilateral, or there can be an alliance of states responsible, labeled multilateral. In addition, there can be an international organization responsible for initiating the sanctions, named universal. The focus of the sanction can aid in classifying the sanction. Will all goods be restricted from export to the country targeted or will it be a selective restriction? Additionally, whether the target states' imports or exports will be sanctioned opens another method for classification. The final method for classification is based on the type of policies which accompany the sanctions. For example, a country initiating a sanction may also break diplomatic relations with the target or it may institute a covert plan for the overthrow of the target regime while the sanctions are being implemented. This study will not focus on any one of the types mentioned but rather will approach the problem using all the forms listed above for the analysis. The main thrust of the analysis will be focused on the curtailing of exports, the limitation of imports, and the slowing down of financial flows to the target country. This may seem a simple task at first look yet there continues to be disagreement among the experts on many facets of sanction theory.



## B. CONSENSUS AND DISAGREEMENT

The point of agreement of most scholars on the nature of economic sanctions is that they are ineffectual towards achieving a satisfactory result. For example,

Mastanduno: "If a consensus exists in the literature on international economic sanctions, it is that attempts to use economic instruments to achieve political objectives are likely to fail."<sup>29</sup>

Olson: "It is worth noting at the outset that there is a consensus in this literature that economic sanctions are largely ineffective."<sup>30</sup>

Lindsay: "Most observers conclude that trade sanctions are not successful policy instruments."<sup>31</sup>

Wallensteen: "The general picture is that economic sanctions have been unsuccessful as a means of influence in the international system"<sup>32</sup>

There have been dissenting viewpoints but they have been relatively few. One such dissenter is Judith Miller, who reports on the American boycott of Ugandan coffee saying

. . . there is considerable evidence that while the coffee boycott failed, the American sanctions proved devastating to the Ugandan economy. . . . In that respect, the U.S. boycott can appropriately be called a success.<sup>33</sup>

Another dissenting view is presented by Hufbauer and Schott in the statement "Perhaps surprisingly, sanctions have been 'successful'--by our definition--in 36 percent of the cases overall."<sup>34</sup> The term successful brings to light the first of many points where the literature has a difficult time of agreement.

There are many factors or variables on which the experts disagree, which make up a sanction episode. The first is on

the definition of a successful sanction. The second is on the role of goals or objectives in sanctions. Disagreement exists on definitions of the types of objectives in addition to their role. The third item is the role of publicity in a sanction episode. The final area of disagreement is the role of military force in a sanction episode. Each of these disagreements will be addressed separately in a later section of this chapter when the current theory of sanctions is dealt with.

### C. A SHORT HISTORY OF SANCTIONS

Sanctions are far from a twentieth century invention. According to Hufbauer and Schott, sanctions have been used as far back as ancient Greece.<sup>35</sup> The early American colonies used a boycott in response to the Stamp Act imposed by the British. Margaret Doxey concurs by saying "The use of economic weapons to achieve political ends is, of course, not a new phenomenon."<sup>36</sup> Suffice it to say that they were not invented in this century but have been in existence for centuries. Perhaps the amount of interest in sanctions as a policy tool is a direct result of the proposition that they have been used more often in this century than in previous eras. In this century, the starting point for the use of economic sanctions lay with the formation of the League of Nations. According to Donald Lossman, Article 16 of the League Covenant provided for international sanctions against an aggressor.

The essence of the article was that in certain circumstances the members of the League of Nations were to cease all economic intercourse with a country committing aggression.<sup>37</sup>

This was the first universal, international attempt to regulate behavior. An analogy can be extended to the present day United Nations, which has the similar possibility, through international authority, to regulate behavior. A serious problem evolves when the capability for enforcement of sanctions is compared with the authority to impose sanctions. The case of the United Nations imposing sanctions on Rhodesia is an up-to-date example.

One problem that is revealed in the history of sanctions is the role of force in their implementation. The problem has been stated succinctly by James Barber.

Indeed, the relationship between sanctions and the use of force is fraught with ambiguity. Whilst some advocates of sanctions see them as an alternative to force, there is a contrary view that sanctions can only be effective when force is available and ready to be used if required.<sup>38</sup>

The heart of this debate is the credibility behind the imposition of the sanctions. If the sender state has the capability, in the form of armed forces, to backup the sanction threat and the will to use that force will that affect the possibility of success? This question is extremely pertinent to the imposition of sanctions today and to the question of the utility of using force for political objectives.

#### D. APPROACHES TO ECONOMIC SANCTIONS

There are two different classification schemes for defining the various approaches used in describing economic sanctions theory. Richard Ellings provides the first scheme by dividing past approaches into the policy analysis, theoretical-deductive, and comparative-inductive categories.<sup>39</sup> Peter Wallensteen provides the alternative scheme when he divides the approaches into sender-oriented, receiver-oriented, Sender/Receiver (SR)-relation-oriented, and environment-oriented theories.<sup>40</sup> Elling's approaches are:

1. Policy analysis approach. This is the most common approach applied to one in particular, but sometimes to more than one case. Ellings uses Anna Schrieber's study of the U.S. imposed sanctions against Cuba and the Dominican Republic as an example of this type of approach. Another example used is Gunnar Adler-Karlsson's major work entitled Western Economic Warfare 1947-1967.
2. Theoretical-deductive approach. This approach speaks in terms of generalizations gleaned from examples included in the study. Johan Galtung's study on the UN sanctions imposed on Rhodesia provide an example of this approach. Yuan-Li Wu is also representative of this type of approach. He provides some general guidelines deduced from the various case studies investigated and reported in his book Economic Warfare, published in 1952.
3. Comparative-inductive approach. This approach examines a set of cases in a systematic manner. Margaret Doxey and Peter Wallensteen both belong in this grouping. Wallensteen uses a baseline of 10 cases in which he mentions variables which influence the cases. Doxey takes a more legalistic approach when looking at multilateral international sanctions.

Ellings himself falls slightly into the deductive approach, by his own admission, yet he offers another approach not belonging to the past approaches. His approach



is labeled the "diachronic approach, meaning that it strives to understand processes of change over time; processes at the level of the international system are emphasized."<sup>41</sup> Stated differently, he attempts to show that systemic factors are the context in which sanctions should be evaluated and understood.

Wallensteen, a member of Elling's inductive school, takes a different tack when he describes the theories about economic sanctions.

1. Sender-oriented theories. They include structural and behavioral aspects of the sender, such as rank and motive. A typical theory is one stressing the sender's 'minuscule interest' in bringing the sanctions to a successful end, or pointing to the sender's 'low capacity' to enforce something.
2. Receiver-oriented theories. These cover the structural and behavioral aspects of the receiver, such as the effects of the sender's measures adopted. An example would be a theory focusing on the economic vulnerability of the receiver or pointing out the unanimous support within the receiver of the pursued policy.
3. SR-relation-oriented theories. These theories focus on comparative relations as well as interaction, the actors' perception of each other. An example would be any theory on the historical relations between the sender and receiver and their rank relation.
4. Environment-oriented theories. These are theories which refer to the reaction of the international system outside the sender and receiver and the time of occurrence. An example would be a theory stressing the importance of 'sanction breakers.'<sup>42</sup>

Wallensteen would probably place Ellings into the category of environment-oriented approaches. As can be seen from the diversity of approaches there should be no surprise



that there are differences of opinions on important factors related to sanctions theory.

#### E. CURRENT THEORY

Economic sanctions are based on the theory that coercion in the economic realm can force compliance in the political realm. This has, in itself, been a debated premise as is the problem of how to accurately determine if a sanction episode has been successful in forcing compliance. The initial problem seems to be that it is extremely difficult to determine if behavior was changed because of the sanction or would the behavior have changed even if the sanctions were not instituted. Therefore the starting point in any discussion of sanction theory must begin with the definition of success.

##### 1. Success

Margaret Doxey defines an effective sanction as ". . . one which succeeds in producing the desired behavioral response from the individual or group to which it is communicated."<sup>43</sup> This really does not answer the question posed by Richard Olson and others about the problems associated with compliance. Olson points out that ". . . it is often unclear just what is being attacked by the sanctions, aside from the simplistic answer that it is 'the economy'."<sup>44</sup> Hufbauer and Schott provide an alternative definition of success by saying that "The 'success' of an economic episode--as viewed from the perspective of the sender

country--has two parts: the extent to which the policy outcome sought by the sender country was in fact achieved, and the contribution made by sanctions to a positive outcome."<sup>45</sup> The policy outcome is gleaned from the public statements of objectives made by policymakers. It is clear that the policy outcome publicly pronounced by policy-makers may not be the actual goals sought in the campaign or those goals may change over time.

## 2. Goals and Objectives

There is a multitude of ways of categorizing the goals sought by sender countries in each sanction episode. Some examples from the literature are:

Doxey: ideological, political and economic<sup>46</sup>

Lindsay: compliance, subversion, deterrence, international symbolism, or domestic symbolism<sup>47</sup>

Weintraub: formal, undisclosed and implicit<sup>48</sup>

Barber: primary, secondary and tertiary<sup>49</sup>

There is overlap in the types of objectives sought by sender states in the listing above. Each author has reached a different conclusion on the effects of the types of objectives. It appears that the consensus in the literature is that objectives do change over time and that adds to the difficulty in assessing their viability. Hufbauer and Schott categorize the various objectives used in past sanction episodes into the following groups:

- change target country policies in a relatively modest way (modest in the scale of national goals, but often of burning importance to participants in the episode),

illustrated by the human rights and nuclear nonproliferation cases.

- destabilize the target government (including, as an ancillary goal, change the target country policies), illustrated by the US campaign against Castro, and the Soviet campaign against Tito.
- disrupt a minor military adventure, illustrated by the UK sanctions against Argentina over the Falkland Islands.
- impair the military potential of the target country, illustrated by World Wars I and II and the COCOM sanctions against the USSR and its allies.
- change the target country policies in a major way (including the surrender of territory), illustrated by the UN campaign against South Africa over apartheid and control of Namibia.<sup>50</sup>

Each of these goals consists of highly public attempts at coercion. The inherent argument in the Weintraub thesis is that these only constitute the formal objectives but not the other less public goals.

### 3. Overt or Covert Measures

The basis of the arguments presented in the literature is that public attempts of coercion fail mainly because they are public and the target state has no way to save face in the international community if it succumbs to the pressure. Weintraub may be correct in his estimate that less public attempts at persuasion are more easily accomplished. Publicity is what separates a sanction from an under-the-table deal. A sanction "cannot be arbitrary or ad hoc: its existence must be generally known, and it must be regular in its incidence."<sup>51</sup> Publicity serves a useful function in that it sometimes satisfies a domestic

requirement for action. The current debate in the U.S. on apartheid in South Africa may be an excellent example of the domestic need for action. The domestic sector is in the process of divesture from investments in South Africa and the Congress may be expected to follow suit with a sanction's policy.

Covert measures can be used instead of overt measures, or in concert with the more public attempts at coercion. The cases included in this analysis include a variable which indicates which policy option was selected by the sender state. Since this study is mainly concerned with the U.S. national interest, and given the nature of publicity in a democratic state, public attempts of economic coercion will probably be the norm in the present as well as in the future. Therefore the public cases listed in Appendix A will be the basis for the empirical analysis in the next chapter.

#### 4. Positive Versus Negative Methods

There is also a debate in the literature over the carrot and the stick approaches to sanctions. Baldwin defines the carrot approach or positive sanction as ". . . actual or promised rewards to B;" and he defines the stick or negative sanctions as "actual or threatened punishments to B."<sup>52</sup> Many who do not see the utility of negative sanctions offer the positive approach as the policy alternative of the future. James O'Leary, David Baldwin and Peter

Wallensteen all trumpet the merits of positive inducements over negative threats. The cost of a positive reward could potentially outweigh the cost involved with a threat. For the positive approach to work the reward must be awarded when the target complies with the sender's desires. On the other hand, a threat is only credible if it doesn't have to be instituted. Positive inducements may have a strengthening effect on the target economy, which is not a bad side effect if the target is an ally of the sender or a neutral country. What happens if the target is a country diametrically opposed to the survival of the sender country? There is some doubt that the sender would want to bolster the economy of an enemy state just for compliance with an international norm which most other states agree the target has violated. Since most, if not all, past sanctions have been in the form of punishments the negative approach will be followed in this study.

##### 5. Reasons for Failure

Each of the factors listed above can constitute a reason for failure. Compliance is too difficult to obtain, therefore success is elusive. Objectives shift over time and the policymaker does not have a clear idea of what the actual objectives are that he is pursuing. Another reason is that the sanctions were made public and the target state, in order to not lose face, stiffened and there resulted a rallying around the flag. The threat of punishment rather



than an offer of a reward for compliance is also considered a reason for failure. Johan Galtung postulates that the critical variable in the success of a sanction is the vulnerability of the target. On the other hand James Lindsay proposes that sanctions fail because of the effect that publicity has on the goals of compliance and subversion, while having a positive effect on the goals of international and domestic symbolism. Richard Ellings believes that the failures are due to the change in the structural trends of the global system of power, and predictions on the effectiveness of sanctions have to be handled on a case-by-case basis. Doxey concentrates on the problem of international enforcement as the main cause of failure. Hufbauer and Schott list a number of limitations of sanctions: the means used may not be adequate for the task, the sanctions themselves may create their own antidote, allies of the target country support their cause, or there may be a backlash abroad and at home to the institution of sanctions. Each of the above reasons may be intuitively seen to be the causes for failure. An approach is required which can empirically test the suggested reasons for failure and determine statistically which variables have the largest impact on the success of sanctions.

This study will attempt to quantify the economic and political variables suggested in the literature to determine, using a statistical method, whether successful

sanctions can be predicted based on past users of coercion. Additionally, the variables will be statistically ranked to show which of the variables do indeed account for the most probable reason for success. This approach was used sparingly by Hufbauer and Schott in their analysis. Their statistical analysis produced a resultant 20 percent of the statistical variation in the success of sanctions.

#### F. SUMMARY

The various definitions of sanctions were previewed noting a tendency toward the negative type of sanction. The definition of sanctions has an inherent problem and that is reaching agreement on exactly what compliance entails. The next topic discussed was the classification of sanctions according to type.

It has been shown that sanctions can be unilateral, multilateral, or universal. They can be classified according to the amount of restrictions placed on the target, i.e., partial or complete restrictions. Another method of typology is whether the sanctions are aimed at the target's imports or exports of the sender. The final method mentioned was whether there were accompanying policies in the form of covert operations. Despite the various methods of classification it appears that there is a consensus in the literature that sanctions are ineffectual. Points of disagreement were also mentioned: success, goals and

objectives, publicity, positive versus negative measures and reasons for failure.

To establish the context within which sanctions work today, a short history was presented in which the only conclusion reached is that sanctions are not a twentieth century invention. They may have been used more frequently in this century than in the previous ones.

Methods of evaluating sanctions were discussed. Two frameworks were discussed. Richard Ellings groups the past approaches into the policy analysis, theoretical-deductive, and the comparative-inductive categories. His approach is labelled the diachronic approach. Peter Wallensteen labels the various approaches as the sender-oriented theories, receiver-oriented theories, SR-relation-oriented theories and the environment-oriented theories. The approach selected for this study will be an empirical approach based on a statistical method.

The areas in current theory where there is debate were mentioned. The definition of success was discussed with the resultant acceptance of the definition provided by Hufbauer and Schott. The myriad of methods to describe the perceived objectives of the country initiating the sanctions were shown again with the acceptance of the objectives outlined by Hufbauer and Schott. Overt and covert methods of coercion were shown to be distinctive forms of influence. Sanctions were seen to include publicity which is an inherent

characteristic of coercion and necessary to qualify under the heading as a sanction. Positive versus negative instruments were discussed culminating in the proposition that most sanctions have been of the negative persuasion. Finally the abundance of reasons for the failure of sanctions were presented. This study will test the intuitive reasons for failure in a statistical method and rank order those variables based on past unsuccessful and successful sanctions.

#### IV. EMPIRICAL RESULTS

Hufbauer and Schott's Economic Sanctions Reconsidered: History and Current Policy, which contains the most thorough set of data compatible with the slant of this research effort, is used as the starting point for the necessary variables utilized in the analysis. The authors also provided a means by which to evaluate the success of an economic sanction. Their "success score" is a numerical score from 1 to 16, with 16 denoting a completely successful sanction episode and a score of 1 denoting a completely failed attempt at coercion. To achieve that score each sanction episode was rated by both a policy result and a measure of the sanction contribution to that policy result. The policy result is described as "the extent to which the outcome sought by the sender country was achieved"<sup>53</sup> and is assigned a numerical score as follows:

- 1        failed outcome
- 2        unclear but possibly positive
- 3        positive outcome
- 4        successful outcome

The sanctions contribution is a score which "indicates the extent to which the sanctions contributed to a positive policy result."<sup>54</sup> Sanctions contribution, like the policy



result, were assigned numerical scores to indicate effectiveness:

- 1 zero or negative contribution
- 2 minor contribution
- 3 modest contribution
- 4 significant contribution

The success score is then calculated by multiplying the policy result index by the sanctions contribution score, producing an overall success score of between 1 (total failure) and 16 (total success). For the purposes of this evaluation, success scores of 9 or above were deemed to represent a successful sanction episode. Therefore, to have a successful sanction, the policy result index must represent at least a positive outcome (numerical score of 3) and the sanctions contribution score must represent at least a modest contribution (numerical score of 3) for the lowest scored successful sanction. The highest scored successful sanction would represent a policy result of a successful outcome (numerical score of 4) and the sanctions contribution score would be a significant contribution to the policy result (numerical score of 4). The cases in which the overall success scores were 9 or above were placed into the category of a "good sanction," abbreviated in the analysis as GSANC and assigned a numerical score of 1. The cases where the overall success scores were 8 or below were also placed into the GSANC category and assigned a numerical

score of 0, to aid in the discrimination between the categories.

#### A. VARIABLES USED IN THE ANALYSIS

The thirty-four variables used in the analysis can be grouped into four different categories: economic, political, geographic and military. The economic variables are listed below:<sup>55</sup>

1. Cost to Target (COSTG)
2. Cost as a Percentage of GNP (COGNP)
3. Cost per Capita (COCAP)
4. Trade Linkage (TRADE)
5. GNP Ratio: Sender to Target (GNPRA)
6. Type of Sanctions (TYPE)
7. Cost to Sender (COSEN)
8. Sender's GNP (SGNP)
9. Target's GNP (TGNP)
10. Sender Industry (SINDUS)
11. Target Industry (TINDUS)
12. Target Concentration of Exports (TCIX)
13. Target Commodity Concentration (COMCON)
14. Target Import Concentration (IMCOM)
15. Target Merchandise Export Index (MEREX)

Economic variables 1 through 9 were given in Hufbauer and Schott's Economic Sanctions Reconsidered: History and Current Policy.<sup>56</sup> Variables 10 through 15 were gleaned from World Bank data published in 1985.<sup>57</sup>

The next list of variables reflects political influences on the conduct of sanctions:

1. Companion Policies (COMPA)
2. International Cooperation with Sender (INTCO)
3. International Assistance to Target (INTAS)
4. Sanctions Period (PERIO)
5. Health and Stability Index (HEALT)
6. Prior Relations Index (PRIOR)
7. Target Government (TGOVT)

Variables 1 through 6 were taken from Hufbauer and Schott's study.<sup>58</sup> Target government was an intuitive measure of whether the target government was/is democratic or non-democratic. There is not a provision in the target government variable for the personality of the leaders involved.

The third category of variables are the geographic variables:

1. Sender Population (SPOP)
2. Target Population (TPOP)
3. Target Area (TAREA)
4. Sender Area (SAREA)
5. Target Urbanization (URBAN)
6. Target Higher Education Index (HEDUC)
7. Target Region (TREGN)
8. Sender Region (SREGN)

Variables 1 and 2 were gleaned from the Arms Control and Disarmament Agency's "World Military Expenditures and Arms

Transfers."<sup>59</sup> Variables 3 through 6 were gathered from World Bank data published in 1985.<sup>60</sup> Target and sender regions were determined using a numerical indicator for the regions as follows: 1--North America, 2--Latin America, 3--Africa, 4--Asia, 5--Europe, 6--Communist Eastern Europe, 7--Middle East and 8--South Pacific.

The final grouping of variables used in the analysis are the military variables:

1. Target Armed Forces (TARMED)
2. Sender Armed Forces (SARMED)
3. Sender is an Arms Producer (SPROD)
4. Target is an Arms Producer (TPROD)
5. Companion Policies (COMPA)

The first two variables were taken from the Arms Control and Disarmament Agency's "World Military Expenditures and Arms Transfers."<sup>61</sup> Variables 3 and 4 were listed in Stephanie Neuman's article entitled "International Stratification and Third World Military Industries"<sup>62</sup> and in an Institute for Strategic Studies book, The Military Balance 1979-80.<sup>63</sup> The final variable (COMPA), from Hufbauer and Schott, is also included under the military as well as the political variables because it involves the use of either quasi-military operations, covert action or regular military action to support economic sanctions.

## B. METHODS OF ANALYSIS

There are four approaches that will be used in the analysis. They are, in order of presentation, a total sample analysis, total sample grouped by objectives, pre-World War II compared to post-World War II sanctions, and finally a comparison of U.S. instigated sanctions to non-U.S. instigated sanctions. (See Table 1 for a summary of the results.) In each case the procedure will be the same. A factor analysis will be run on the cases selected, followed by a stepwise discriminant analysis to determine the variables that are most significant to the pertinent grouping. The highest loaded variables from the factor analysis, along with the significant variables from the stepwise will then be used to perform a discriminant analysis to determine if the successful sanctions can be distinguished from the unsuccessful ones.

### 1. Total Sample Analysis

The total sample consists of all 105 cases listed in Appendix A. A factor analysis was performed on all the cases, with the rotated factor pattern producing seven factor groupings. Target GNP, type of sanction, concentration of exports, cost per capita, target's armed forces, sender's population and target import concentration represent the highest loaded factors from all the variables inputted. A stepwise discriminant analysis was then conducted, resulting in the most significant variables as



TABLE 1

## SUMMARY OF EMPIRICAL APPROACHES

<u>Grouping</u>	<u>Significant Variables</u>	<u>Number Misclassified</u>	<u>Predicta- bility</u>
1. Total sample	Perio Sgnp Cocap Sregn Costg Intas Healt	23	Poor
2. Total sample by objectives			
A. Modest changes in target policies	Compa Sgnp Sregn	9	Poor
B. Destabiliza- tion of tar- get governments	Intas Prior Trade Tpop Cocap Compa	1	Fair
C. Disruption of military adventures	Heduc Tregn Trade Intas Cognp	1	Fair
D. Impairment of military potential	Costg Type Cosen	0	Good
E. Other major changes in target policies	Cognp Costg Trade Cocap Type	0	Good

TABLE 1 (CONTINUED)

3.	Pre-World War II cases	Imcom Tregn	1	Fair
4.	Post-World War II cases	Perio Cocap Intas Sgnp Sregn Costg Healt Heduc Trade Merex	15	Poor
5.	Non-U.S. instigated sanctions	Cognp Healt Costg Tarmed Imcom Trade Spop	7	Poor
6.	U.S. insti- gated sanctions	Sarmed Cosen Costg Sgnp Perio Cocap	14	Poor

listed in Table 2. The sanctions period, sender GNP, cost per capita, sender's region, cost to the target, international assistance to the target, and the health and stability index comprise the significant variables. It must be pointed out that the stepwise variables only comprise 33 percent of the variation in the success scores from the total sample as shown under the "average squared canonical correlation" column. The final step was running a discriminant analysis using both the high-loaded variables from the factor analysis and the significant variables from the stepwise. The significant variables from the stepwise produced the best result as presented in Table 3. The discriminant analysis contained 23 misclassified cases out of the total sample of 105. There are a number of cases which are borderline placement while others have a high percentage of placement in the incorrect category. There is not a clear reason for the misclassifications from the results.

## 2. Total Sample Divided by Objectives

Appendix A lists the total sample but also has that sample broken down by objectives/goals of the sender country. The objectives have been previously discussed in Chapter III. The first objective grouping is modest changes in target country policies, which begins with case 331 (UK vs USSR, 1933) and ends with case 833 (U.S. vs Zimbabwe, 1983). A factor analysis produced six variables having the highest loading: GNP ratio (sender to target), sender's armed

Table 2

## Total Sample Stepwise Analysis

Step	Variable Entered	Variable Removed	Number In	Partial R <sup>2</sup>	F Statistic	Prob > F	Wilks' Lambda	Prob > Lambda	Average Squared Canonical Correlation	Prob > ASCC
1	PERIO		1	0.0665	6.562	0.0120	0.93341971	0.0120	0.06658029	0.0120
2	SSHF		2	0.0487	4.663	0.0336	0.88792350	0.0045	0.11207650	0.0045
3	GOCAP		3	0.0712	6.902	0.0101	0.82468115	0.0006	0.17531885	0.0006
4	SREGH		4	0.0765	7.374	0.0079	0.76158123	0.0001	0.23841877	0.0001
5	GOSTG		5	0.0436	4.016	0.0482	0.72834460	0.0000	0.27165540	0.0000
6	INTAS		6	0.0527	4.837	0.0305	0.68998192	0.0000	0.31001808	0.0000
7	HEALT		7	0.0372	3.323	0.0718	0.66431196	0.0000	0.33568804	0.0000

TABLE 3

## TOTAL SAMPLE DISCRIMINANT ANALYSIS

Posterior Probability of Membership in GSANC:

CASES	FROM GSANC	CLASSIFIED INTO GSANC		0	1
381	1	1		0.4083	0.5917
401	0	1	*	0.2209	0.7791
441	0	1	*	0.1250	0.8750
171	0	1	*	0.2194	0.7806
562	1	1		0.1466	0.8534
611	1	1		0.4529	0.5471
631	1	1		0.1776	0.8224
651	1	1		0.2152	0.7848
652	1	1		0.2087	0.7913
681	0	1	*	0.2267	0.7733
682	1	1		0.3234	0.6766
732	0	1	*	0.3549	0.6451
733	0	0		0.6725	0.3275
751	1	0	*	0.7365	0.2635
752	0	0		0.8363	0.1637
753	1	0	*	0.8474	0.1526
754	0	0		0.8270	0.1730
761	0	0		0.5976	0.4024
762	1	0	*	0.7643	0.2357
763	0	0		0.8412	0.1588
771	0	0		0.8567	0.1433
772	0	0		0.8874	0.1126
773	0	0		0.6842	0.3158
776	0	0		0.6462	0.3538
777	1	0	*	0.7084	0.2916
782	0	0		0.7227	0.2773
783	0	0		0.7432	0.2568
784	0	0		0.8965	0.1035
785	0	0		0.9081	0.0919
791	1	1		0.0104	0.9896
792	0	0		0.9064	0.0936
794	0	0		0.9012	0.0988
802	0	0		0.7623	0.2377
822	1	1		0.0263	0.9737
832	0	0		0.9541	0.0459
833	0	0		0.8554	0.1446
481	1	1		0.1116	0.8884
491	0	0		0.6125	0.3875
563	1	1		0.2841	0.7159



TABLE 3 (CONTINUED)

604	0	0		0.6764	0.3236
711	0	1	*	0.2818	0.7182
741	0	0		0.5090	0.4910
755	0	1	*	0.4851	0.5149
511	1	1		0.0868	0.9132
564	1	1		0.2313	0.7687
601	1	1		0.1500	0.8500
603	0	0		0.7528	0.2472
621	1	1		0.1654	0.8346
633	0	1	*	0.2380	0.7620
634	1	1		0.1751	0.8249
701	1	1		0.2175	0.7825
721	1	1		0.4556	0.5444
775	1	0	*	0.5513	0.4487
788	0	0		0.6414	0.3586
811	Q	0		0.8722	0.1278
834	0	0		0.8100	0.1900
561	0	1	*	0.3748	0.6252
654	0	0		0.8165	0.1835
812	0	0		0.9449	0.0551
485	0	0		0.9686	0.0314
492	0	0		0.8947	0.1053
501	0	0		0.9161	0.0839
544	0	0		0.9017	0.0983
801	0	0		0.8450	0.1550
813	0	0		0.9264	0.0736
613	0	0		0.9149	0.0851
632	0	0		0.9659	0.0341
391	1	0	*	0.7544	0.2456
331	1	1		0.0854	0.9146
541	0	0		0.6219	0.3781
623	0	0		0.6952	0.3048
641	1	1		0.2953	0.7047
742	0	1	*	0.2686	0.7314
743	0	1	*	0.1160	0.8840
774	1	1		0.2463	0.7537
781	0	0		0.5238	0.4762
793	1	0	*	0.7639	0.2361
823	1	1		0.1151	0.8849
831	0	0		0.7979	0.2021
211	1	1		0.2747	0.7253
251	1	1		0.2762	0.7238
321	0	1	*	0.3101	0.6899
351	0	0		0.7660	0.2340
572	0	0		0.6672	0.3328
787	0	1	*	0.4652	0.5348
821	1	1		0.1050	0.8950

TABLE 3 (CONTINUED)

181	0	1	*	0.2018	0.7982
484	0	0		0.7586	0.2414
581	1	1		0.3405	0.6595
612	0	0		0.7540	0.2460
653	1	0	*	0.9250	0.0750
482	1	1		0.2018	0.7982
483	0	0		0.8277	0.1723
542	0	0		0.5970	0.4030
543	0	0		0.9514	0.0486
571	0	0		0.7853	0.2147
632	0	0		0.5302	0.4698
635	0	0		0.5398	0.4602
671	1	1		0.1057	0.8943
731	1	1		0.0177	0.9823
786	0	0		0.8279	0.1721
814	0	0		0.8737	0.1263
141	1	0	*	0.6082	0.3918
461	0	0		0.8552	0.1448
602	0	0		0.8051	0.1949

Variables Used: Perio  
Sgnp  
Cocap  
Sregn  
Costg  
Intas  
Healt

forces, target area, cost to the target, target's armed forces and the trade linkage. The stepwise discriminant analysis resulted in three variables as being significant: companion policies, sender's GNP, and the sender's region, which account for only 32 percent of the variation in the success score listed under the canonical correlation column (Table 4). Performing a discriminant analysis utilizing the highest loaded variables from the factor analysis resulted in 13 cases being misclassified. The best results were achieved when the discriminant analysis was run using the significant variables from the stepwise. Those results in Table 5 show only 9 cases as being misclassified out of a total of 44 cases. The probability of placement of the misclassified cases in the incorrect category are, for all but a few cases, borderline.

The second set of objectives are those cases which fall under the goal of destabilization of target governments. This grouping of objectives begins with case 181 (UK vs Russia, 1918) and ends with case 834 (U.S., OECS vs Grenada, 1983). The rotated factor pattern indicated that the target's concentration of exports, target's armed forces, target government, target region and the cost per capita are the highest loaded variables. The stepwise discriminant analysis produced three variables which are significant to this objective grouping: international assistance to the target, prior relations index, and the trade linkage

Table 4

## Modest Changes in Target Country Policies

Step	Entered	Variable Removed	Number in	Partial R <sup>2</sup>	F Statistic	Prob > F	Wilks' Lambda	Prob > Lambda	Average Squared Canonical Correlation	Prob > AIC
1	GDP		1	0.1504	6.904	0.0122	0.842959893	0.0122	0.15070107	0.0122
2	GDP		2	0.1507	6.745	0.0133	0.72152724	0.0020	0.27847276	0.0020
3	GDP		3	0.0677	2.689	0.1095	0.67264807	0.0019	0.32735193	0.0019

TABLE 5  
FIRST OBJECTIVE DISCRIMINANT ANALYSIS

Posterior Probability of Membership in GSANC:

CASES	FROM GSANC	CLASSIFIED INTO GSANC	0	1
331	1	1	0.1309	0.8691
381	1	1	0.1441	0.9559
541	0	0	0.6377	0.3623
562	1	1	0.0395	0.9605
611	1	1	0.2507	0.7493
623	0	0	0.6663	0.3337
631	1	1	0.2727	0.7273
641	1	1	0.4954	0.5046
651	1	1	0.3253	0.6747
652	1	1	0.3022	0.6978
681	0	1 *	0.3672	0.6328
682	1	1	0.3672	0.6328
732	0	0	0.5845	0.4155
733	0	0	0.6279	0.3721
742	0	1 *	0.1564	0.8436
743	0	1 *	0.1656	0.8344
751	1	0 *	0.6410	0.3590
752	0	0	0.6234	0.3766
753	1	0 *	0.6279	0.3721
754	0	0	0.6279	0.3721
761	0	0	0.6878	0.3122
762	1	0 *	0.6878	0.3122
763	0	0	0.6878	0.3122
771	0	0	0.7514	0.2486
772	0	0	0.7514	0.2486
773	0	0	0.7514	0.2486
774	1	1	0.1660	0.8340
776	0	0	0.7514	0.2486
777	1	0 *	0.7514	0.2486
781	0	1 *	0.4782	0.5218
782	0	0	0.8167	0.1833
783	0	0	0.8167	0.1833
784	0	0	0.8167	0.1833
785	0	0	0.8694	0.1306
791	1	1	0.0652	0.9348
792	0	0	0.8694	0.1306
793	1	0 *	0.7599	0.2401
794	0	0	0.8694	0.1306
802	0	0	0.8694	0.1306



TABLE 5 (CONTINUED)

822	1	1	0.4887	0.5113
823	1	1	0.0040	0.9960
831	0	0	0.8048	0.1952
832	0	0	0.9398	0.0602
833	0	0	0.9398	0.0602

\* Misclassified Observation

Variables Used: Compa  
Sgnp  
Sregn

(Table 6). These three variables provide for 57 percent of the variation in the success scores in this grouping listed under the canonical correlation column. A combination of the results from the factor analysis and the stepwise discriminant analysis produced the best results shown in Table 7. The variables used in the discriminant analysis were: international assistance to the target, prior relations index, trade linkage, target population, cost per capita, and companion policies. There is only one misclassification of the 17 cases in the grouping. The one misclassification has a very high probability of placement in the incorrect category (91.01 percent) for case 441 (U.S. vs Argentina, 1944).

Disruption of military adventures (other than major wars) is the third objective grouping to be investigated. This grouping begins with case 211 (League of Nations vs Yugoslavia, 1921) and ends with case 821 (UK vs Argentina, 1982). The rotated factor pattern revealed five factor groupings with the following variables highly loaded: cost to the target, concentration of exports, international assistance to the target, target's armed forces, and the international cooperation with the sender. The stepwise discriminant analysis resulted in only two variables deemed significant (Table 8): target higher education index and the target region. Those two variables account for 57 percent of the variation in the success scores indicated under

TABLE 6

## DESTABILIZATION OF TARGET GOVERNMENTS

Step	Variable Entered	Variable Removed	Number In	Partial R <sup>2</sup>	F Statistic	Prob> F	Wilks' Lambda	Prob> Lambda	Average Squared Canonical Correlation	Prob> ASGC
1	INTAS		1	0.2735	5.647	0.0312	0.72649573	0.0312	0.27350427	0.0312
2	FRIOR		2	0.2909	5.744	0.0311	0.51515152	0.0096	0.48484848	0.0096
3	TRADE		3	0.1756	2.768	0.1201	0.42471223	0.0092	0.57528777	0.0092

TABLE 7  
SECOND OBJECTIVE DISCRIMINANT ANALYSIS

Posterior Probability of Membership in GSANC:

CASES	FROM GSANC	CLASSIFIED INTO GSANC	8	1
181	0	0	1.0000	0.0000
441	0	1 *	0.0899	0.9101
484	0	0	0.9998	0.0002
511	1	1	0.0008	0.9992
564	1	1	0.0002	0.9998
581	1	1	0.0909	0.9091
601	1	1	0.0001	0.9999
603	0	0	0.9997	0.0003
612	0	0	0.9975	0.0025
621	1	1	0.0071	0.9929
633	0	0	0.9529	0.0471
634	1	1	0.0002	0.9998
701	1	1	0.0011	0.9989
721	1	1	0.0529	0.9471
775	1	1	0.0614	0.9386
788	0	0	0.9960	0.0040
811	0	0	0.9998	0.0002

\* Misclassified Observation

Variables Used: Intas  
Prior  
Trade

TABLE 8

## DISRUPTION OF MILITARY ADVENTURES (OTHER THAN MAJOR WARS)

Step	Entered	Variable Removed	Number In	Partial R <sup>2</sup>	F Statistic	Prob> F	Wilks' Lambda	Prob> Lambda	Average Squared Canonical Correlation	Prob> ASOC
1	HEDUC		1	0.4094	8.319	0.0137	0.59059348	0.0137	0.40940652	0.0137
2	TRECH		2	0.2856	4.398	0.0599	0.42190033	0.0087	0.57809967	0.0087



the canonical correlation column. The combination of the factor analysis results along with the stepwise results produced a discriminant analysis with only one case misclassified (Table 9). The variables used included the higher education index, target region, trade linkage, international assistance to the target, and the cost as a percentage of GNP. Case 401 (U.S. vs Japan, 1940) had an 87 percent chance of placement in the incorrect category.

The fourth set of objectives are those cases which fall under the goal of impairment of military potential (including major wars). This grouping begins with case 141 (UK vs Germany, 1914) and ends with case 813 (U.S. vs USSR, 1981). It turned out that a factor analysis was not required for this grouping, since the stepwise discriminant analysis produced an average squared canonical correlation of over 94 percent (Table 10). The three variables which account for the large variation in the success scores are: the cost to the target, type of sanction, and the cost to the sender. Those variables were then employed in a discriminant analysis which produced a perfect classification scheme (Table 11). The description of perfect comes from the fact that there is a 100 percent probability of correct classification for all cases.

The fifth and final objective grouping falls under the goal of other major changes in target country policies (including surrender of territory). The grouping begins

TABLE 9

## THIRD OBJECTIVE DISCRIMINANT ANALYSIS

Posterior Probability of Membership in GSANC:

CASES	FROM GSANC	CLASSIFIED INTO GSANC	0	1
211	1	1	0.0055	0.9945
251	1	1	0.3303	0.6697
321	0	0	0.9740	0.0260
351	0	0	0.6768	0.3232
401	0	1 *	0.1254	0.8746
481	1	1	0.0126	0.9874
491	0	0	0.9928	0.0072
563	1	1	0.1334	0.8666
572	0	0	0.9940	0.0060
604	0	0	0.9994	0.0006
711	0	0	0.9792	0.0208
741	0	0	0.9792	0.0208
741	0	0	0.8373	0.1627
787	0	0	0.9966	0.0034
821	1	1	0.0057	0.9943

\* Misclassified Observation

Variables Used: Heduc  
Tregn

TABLE 10

IMPAIRMENT OF MILITARY POTENTIAL (INCLUDING MAJOR WARS)

Step	Entered	Variable Removed	Number In	Partial R <sup>2</sup>	F Statistic	Prob> F	Wilks' Lambda	Prob> Lambda	Average Squared Correlation	Prob> ASC
1	COSTC		1	0.5285	8.966	0.0172	0.47153031	0.0172	0.52846969	0.0172
2	TYPE		2	0.7834	25.320	0.0015	0.10212535	0.0003	0.89787465	0.0003
3	COSKE		3	0.4856	5.664	0.0548	0.05253271	0.0003	0.94746729	0.0003

TABLE 11

## FOURTH OBJECTIVE DISCRIMINANT ANALYSIS

Posterior Probability of Membership in GSANC:

CASES	FROM GSANC	CLASSIFIED INTO GSANC	0	1
141	1	1	0.0000	1.0000
391	1	1	0.0000	1.0000
461	0	0	1.0000	0.0000
485	0	0	1.0000	0.0000
492	0	0	1.0000	0.0000
501	0	0	1.0000	0.0000
544	0	0	1.0000	0.0000
602	0	0	1.0000	0.0000
801	0	0	1.0000	0.0000
813	0	0	1.0000	0.0000

Variables Used: Costg  
Type  
Cosen

with case 171 (U.S. vs Japan, 1917) and ends with case 814 (EC vs Turkey, 1981). As with the previous grouping there was no need to perform a factor analysis, since the stepwise discriminant analysis produced a 94 percent canonical correlation (Table 12). The five variables which reached the 94 percent mark are: cost as a percentage of GNP, cost to the target, trade linkage, cost per capita, and the type of sanction. Those five variables were then entered into a discriminant analysis which resulted in another perfect classification (Table 13). The percentage of correct placement for all cases is 100 percent.

### 3. Pre World War II versus Post World War II

In order to test the world environment surrounding the use of sanctions, the total sample was broken down into pre and post World War II timeframes. The pre World War II rotated factor pattern produced four groupings resulting with the following variables having the highest loading: the target's armed forces, import concentration, sender's GNP, and the cost as a percentage of GNP. The stepwise discriminant analysis resulted in two variables being significant: import concentration and target region (Table 14). Those two variables account for over 66 percent of the variation in the success scores. A discriminant analysis was run using those two variables, which resulted in only one case being misclassified (Table 15). Case 141 (UK vs



TABLE 12

"OTHER MAJOR CHANGES IN TARGET COUNTRY POLICIES"  
(INCLUDING SURRENDER OF TERRITORY)

Step	Entered	Variable Removed	Number In	Partial R <sup>2</sup>	F Statistic	Prob > F	Wilks' lambda	Prob > Lambda	Average Squared Canonical Correlation	Prob > ASCC
1	GCHP		1	0.3395	7.712	0.0141	0.66045465	0.0141	0.33954535	0.0141
2	CONSTG		2	0.4934	13.634	0.0024	0.33459971	0.0005	0.66540029	0.0005
3	FRAP		3	0.3638	7.434	0.0173	0.21286677	0.0001	0.78713323	0.0001
4	COCAF		4	0.6147	19.141	0.0009	0.08202699	0.0000	0.91797301	0.0000
5	TYPE		5	0.2964	4.635	0.0544	0.05771061	0.0000	0.94228939	0.0000

TABLE 13

## FIFTH OBJECTIVE DISCRIMINANT ANALYSIS

Posterior Probability of Membership in GSANC:

CASES	FROM GSANC	CLASSIFIED INTO GSANC	0	1
171	0	0	1.0000	0.0000
482	1	1	0.0000	1.0000
483	0	0	1.0000	0.0000
542	0	0	1.0000	0.0000
543	0	0	1.0000	0.0000
561	0	0	1.0000	0.0000
571	0	0	1.0000	0.0000
613	0	0	1.0000	0.0000
632	0	0	1.0000	0.0000
633	0	0	1.0000	0.0000
635	0	0	1.0000	0.0000
654	0	0	1.0000	0.0000
671	1	1	0.0000	1.0000
731	1	1	0.0000	1.0000
786	0	0	1.0000	0.0000
812	0	0	1.0000	0.0000
814	0	0	1.0000	0.0000

Variables: Cognp  
 Costg  
 Trade  
 Cocap  
 Type

TABLE 14

## PRE-WORLD WAR II STEPWISE ANALYSIS

Step	Entered	Variable Removed	Number In	Partial R <sup>2</sup>	F Statistic	Prob > F	Wilks' Lambda	Prob > Lambda	Average Squared Canonical Correlation	Prob > ASCC
1	INCOH		1	0.3129	3.544	0.0927	0.68706222	0.0927	0.31293778	0.0927
2	TRECH		2	0.5091	7.258	0.0309	0.33731184	0.0223	0.66268816	0.0223

TABLE 15  
PRE-WORLD WAR II DISCRIMINANT ANALYSIS

Posterior Probability of Membership in GSANC:

CASES	FROM GSANC	CLASSIFIED INTO GSANC		0	1
141	1	0	*	0.6417	0.3583
391	1	1		0.0817	0.9183
171	0	0		0.9906	0.0094
441	0	0		0.9731	0.0269
211	1	1		0.0051	0.9949
251	0	0		0.0009	0.9991
321	0	0		0.9311	0.0689
351	0	0		0.5525	0.4475
401	0	0		0.9906	0.0094
381	1	1		0.1727	0.8273

\* Misclassified Observation

Variables Used: Imcom  
Tregn

Germany, 1914) had a 64 percent probability of placement in the incorrect category.

The post World War II rotated factor pattern produced seven groupings, with the following variables having high loadings: the target's urbanization, type of sanction, cost to the target, cost per capita, target's armed forces, commodity concentration, and the sender's population. A stepwise analysis of all variables produced ten variables which are significant and account for 51 percent of the variation in the success score (Table 16). The same ten variables were used in a discriminant analysis and resulted in 15 misclassifications (Table 17).

#### 4. U.S. versus Non-U.S. Sanctions

To discover the differences in sanctions that are initiated by the U.S. compared to non-U.S. initiators, the total sample was broken down accordingly. The non-U.S. rotated factor pattern produced seven variables with high loadings: cost as a percentage of GNP, health and stability index, cost to the target, target's armed forces, import concentration, trade linkage, and the sender's population. A stepwise of all the variables resulted in a canonical correlation of 31 percent and the resultant discriminant analysis had 8 cases misclassified. Utilizing the highest loading variables from the factor analysis grouping as the discriminating variables, resulted in 7 misclassifications (Table 18).



TABLE 16

## POST WORLD WAR II STEPWISE ANALYSIS

Step	Entered	Variable Removed	Number in	Partial R <sup>2</sup>	F Statistic	Prob > F	Wilks' Lambda	Prob > Lambda	Average Squared Canonical Correlation	Prob > ASCC
1	PERIO		1	0.0822	7.170	0.0090	0.91775028	0.0090	0.08224972	0.0090
2	COCAP		2	0.0560	4.691	0.0333	0.86631113	0.0035	0.13368887	0.0035
3	INTAS		3	0.0804	6.823	0.0108	0.79662355	0.0005	0.20337645	0.0005
4	SHIP		4	0.0936	7.953	0.0061	0.72204803	0.0000	0.27795197	0.0000
5	SREGN		5	0.1099	9.383	0.0030	0.64270049	0.0000	0.35729951	0.0000
6	COSTG		6	0.0687	5.531	0.0213	0.59856094	0.0000	0.40143906	0.0000
7	HEALT		7	0.0600	4.724	0.0329	0.56264428	0.0000	0.43735572	0.0000
8	HEAUC		8	0.0554	4.281	0.0421	0.53147848	0.0000	0.46852152	0.0000
9	TRADE		9	0.0540	4.107	0.0464	0.50279923	0.0000	0.49720077	0.0000
10	NEREX		10	0.0318	2.329	0.1314	0.48682667	0.0000	0.51317333	0.0000

TABLE 17  
POST-WORLD WAR II DISCRIMINANT ANALYSIS

Posterior Probability of Membership in GSANC:

CASES	FROM GSANC	CLASSIFIED INTO GSANC	0	1
461	0	0	0.9836	0.0164
485	0	0	0.9897	0.0103
492	0	0	0.9619	0.0381
602	0	0	0.9617	0.0383
801	0	0	0.8737	0.1263
813	0	0	0.9712	0.0288
482	1	1	0.0069	0.9931
483	0	0	0.9768	0.0232
542	0	0	0.9022	0.0978
543	0	0	0.9962	0.0038
561	0	1 *	0.2588	0.7412
571	0	0	0.9633	0.0367
613	0	0	0.9919	0.0081
632	0	0	0.9899	0.0101
633	0	0	0.9223	0.0777
635	0	0	0.7492	0.2508
654	0	0	0.9768	0.0232
671	1	1	0.0327	0.9673
731	1	1	0.0075	0.9925
786	0	0	0.9693	0.0307
812	0	0	0.9935	0.0065
814	0	0	0.9801	0.0199
484	0	0	0.9623	0.0377
511	1	1	0.0113	0.9887
581	1	1	0.2927	0.7073
601	1	1	0.0265	0.9735
603	0	0	0.7991	0.2009
612	0	0	0.9626	0.0374
621	1	1	0.0347	0.9653
633	0	1 *	0.1423	0.8577
634	1	1	0.0464	0.9536
701	1	1	0.2267	0.7733
721	1	0 *	0.5088	0.4912
775	1	1	0.3894	0.6106
788	0	0	0.8866	0.1134
811	0	0	0.9644	0.0356
834	0	0	0.9827	0.0173
481	1	1	0.0195	0.9805
491	0	0	0.7325	0.2675

TABLE 17 (CONTINUED)

563	1	1		0.2267	0.7733
572	0	0		0.8433	0.1567
604	0	0		0.8585	0.1415
711	0	1	*	0.2606	0.7394
741	0	0		0.7241	0.2759
787	0	0		0.7818	0.2182
821	1	1		0.0129	0.9871
541	0	0		0.7713	0.2287
562	1	1		0.0245	0.9755
611	1	0	*	0.8771	0.1229
623	0	0		0.8070	0.1930
631	1	1		0.0460	0.9540
641	1	1		0.2547	0.7453
651	1	1		0.0888	0.9112
652	1	1		0.1036	0.8964
681	0	1	*	0.2645	0.7355
682	1	1		0.4069	0.5931
732	0	1	*	0.3300	0.6700
733	0	0		0.8586	0.1414
742	0	1	*	0.4407	0.5593
743	0	1	*	0.0864	0.9136
751	1	0	*	0.9157	0.0843
752	0	0		0.9178	0.0822
753	1	0	*	0.9328	0.0672
754	0	0		0.9804	0.0196
761	0	1	*	0.4048	0.5952
763	0	0		0.9892	0.0108
771	0	0		0.9675	0.0325
772	0	0		0.9720	0.0280
773	0	1	*	0.2323	0.7677
774	1	1		0.0144	0.9856
776	0	0		0.7419	0.2581
777	1	0	*	0.6796	0.3204
781	0	0		0.7631	0.2369
782	0	0		0.7022	0.2978
783	0	1	*	0.3435	0.6565
784	0	0		0.9874	0.0126
785	0	0		0.9357	0.0643
791	1	1		0.0047	0.9953
792	0	0		0.9971	0.0029
793	1	1		0.3741	0.6259
794	0	0		0.9759	0.0241
802	0	0		0.9049	0.0951
822	1	1		0.0066	0.9934

TABLE 17 (CONTINUED)

823	1	1	0.0026	0.9974
831	0	0	0.9397	0.0603
832	0	0	0.9843	0.0157

\*Misclassified Observation

Variables Used: Perio  
 Cocap  
 Intas  
 Sgnp  
 Sregn  
 Costg  
 Healt  
 Heduc  
 Trade  
 Merex

TABLE 18

## NON-U.S. DISCRIMINANT ANALYSIS

Posterior Probability of Membership in GSANC:

CASES	FROM GSANC	CLASSIFIED INTO GSANC		0	1
141	1	1		0.4710	0.5290
211	1	0	*	0.6063	0.3937
251	1	1		0.3502	0.6498
321	0	1	*	0.3014	0.6986
351	0	0		0.8298	0.1702
461	0	0		0.5361	0.4639
482	1	1		0.3953	0.6047
483	0	0		0.9419	0.0581
542	0	0		0.7969	0.2031
543	0	0		0.7615	0.2385
571	0	0		0.6059	0.3941
633	0	0		0.5276	0.4724
635	0	0		0.6906	0.3094
632	0	0		0.6609	0.3391
731	1	1		0.0226	0.9774
786	0	0		0.7189	0.2811
814	0	1	*	0.4063	0.5937
484	0	1	*	0.4913	0.5087
581	1	1		0.4351	0.5649
572	0	1	&	0.2695	0.7305
821	1	1		0.2331	0.7669
541	0	1	*	0.4332	0.5668
641	1	1		0.3276	0.6724
742	0	0		0.8940	0.1060
743	0	0		0.5849	0.4151
774	1	0	*	0.7532	0.2468
793	1	1		0.3835	0.6165
831	0	0		0.7108	0.2892

\* Misclassified Observation

Variables Used: Cognp  
Healt  
Costg  
Tarmed  
Imcom  
Trade  
Spop



The rotated factor pattern of the U.S. inspired sanctions also resulted in seven variables with high loadings: concentration of exports, cost to the target, GNP ratio of sender to target, target's armed forces, sanctions period, target area, and the sender's armed forces. A step-wise analysis produced six variables which account for 40 percent of the variation in the success scores: sender's armed forces, cost to sender, cost to the target, sender's GNP, sanctions period, and the cost per capita (Table 19). Those six variables were used in the discriminant analysis, which produced 14 misclassified cases (Table 20).

### C. SUMMARY

The initial discussion described the definition of success used in this analysis. Hufbauer and Schott have provided the following formula for computing the success of a sanction episode: Multiply the policy result score by the sanctions contribution score. The combination of the policy result and sanction contribution scores will result in a numerical figure which is between 0 and 16. This analysis evaluated all the sanctions that received a success score of 9 and above as successful and conversely those with scores of 8 and below as unsuccessful.

The next section discussed the variables used in the analysis. They were grouped into political, economic, geographic and military categories. Hufbauer and Schott

TABLE 19

## U.S. INSTIGATED SANCTIONS STEPWISE ANALYSIS

Step	Variable Entered	Number In	Partial R <sup>2</sup>	F Statistic	Prob> F	Wilks' Lambda	Prob> Lambda	Average Squared Canonical Correlation	Prob> ASCC
1	SARNED	1	0.1252	8.301	0.0055	0.87479669	0.0055	0.12520331	0.0055
2	COSCH	2	0.0945	5.952	0.0178	0.79208768	0.0013	0.20791232	0.0013
3	COSIG	3	0.1127	7.114	0.0100	0.70280608	0.0002	0.29719392	0.0002
4	SGHP	4	0.0593	3.469	0.0679	0.66110361	0.0001	0.33889639	0.0001
5	PERIO	5	0.0533	3.040	0.0870	0.62587453	0.0001	0.37412547	0.0001
6	COCAP	6	0.0557	3.128	0.0827	0.59099539	0.0001	0.40900461	0.0001

TABLE 20

## U.S. INSTD SANCTIONS DISCRIMINANT ANALYSIS

Pcor Probability of Membership in GSANC:

CASES	G	CLASSIFIED INTO GSANC	0	1
381		1	0.1544	0.8456
401		1 *	0.4366	0.5634
441		1 *	0.2735	0.7265
171		1 *	0.1778	0.8222
562		1	0.0100	0.9900
611		1	0.1602	0.8398
631		1	0.1271	0.8729
651		1	0.4187	0.5813
652		1	0.1532	0.8468
681		1 *	0.1690	0.8310
682		1	0.2829	0.7171
732		1 *	0.2556	0.7444
733		0	0.6892	0.3108
751		0 *	0.6506	0.3494
752		0	0.8527	0.1473
753		0 *	0.6445	0.3555
754		0	0.8504	0.1496
761		0	0.7083	0.2917
762		0 *	0.8487	0.1513
763		0	0.7183	0.2817
771		0	0.7733	0.2267
772		0	0.8221	0.1779
773		0	0.9345	0.0655
776		0	0.7593	0.2407
777		0 *	0.8085	0.1915
782		0	0.9500	0.0500
783		0	0.9564	0.0436
784		0	0.9554	0.0446
785		0	0.9577	0.0423
791		1	0.0114	0.9886
792		0	0.8337	0.1663
794		0	0.8389	0.1611
802		0	0.9443	0.0557
822		1	0.0196	0.9804
832		0	0.9564	0.0436
833		0	0.8324	0.1676
481		1	0.0752	0.9248
491		0	0.5957	0.4043
563		1	0.2185	0.7815

TABLE 20 (CONTINUED)

604	0	0		0.7201	0.2799
711	0	1	*	0.2016	0.7984
741	0	0		0.5159	0.4841
755	0	0		0.5618	0.4382
511	1	1		0.0140	0.9860
564	1	1		0.1961	0.8039
601	1	1		0.3194	0.6806
603	0	0		0.9504	0.0496
621	1	1		0.1112	0.8888
633	0	1	*	0.1737	0.8263
634	1	1		0.1260	0.8740
701	1	1		0.1662	0.8338
721	1	1		0.4160	0.5840
775	1	0	*	0.6696	0.3304
788	0	0		0.9535	0.0465
811	0	0		0.8995	0.1005
834	0	0		0.7847	0.2153
561	0	1	*	0.3567	0.6433
654	0	0		0.8768	0.1232
812	0	0		0.9484	0.0516
485	0	0		0.9825	0.0175
492	0	0		0.9348	0.0652
501	0	0		0.8682	0.1318
544	0	0		0.9472	0.0528
801	0	0		0.9527	0.0473
813	0	0		0.9747	0.0253
613	0	1	*	0.1367	0.8633
391	1	1		0.2544	0.7456

\* Misclassified Observation

Variables Used: Sarmed  
Cosen  
Costg  
Sgnp  
Perio  
Cocap

provide core of variables which was then expanded to overvariables.

Qual empirical results were then presented in four different groupings. The first group was a total sample analysis of all 105 cases in the database. The best discriminant analysis resulted in 23 misclassified cases. The grouping was by the goals/objectives of the sender. There was a mixed result in the various object groupings. Two groupings had only one misclassified in each while two other groupings were able to be accurately classified with 100 percent probability of placement. The largest objective grouping resulted in 9 misclassifications.

Third grouping was by pre- and post-World War II time. The pre-World War II grouping could accurately predict but one case. The post-World War II grouping resulted in 15 misclassifications at best. The final grouping distinguished between U.S.-initiated versus non-U.S.-initiated sanction episodes. The non-U.S. cases produced 15 misclassifications while the U.S.-initiated cases produced 3 misclassifications from an admittedly larger group.



## V. EVALUATION OF EMPIRICAL RESULTS

This chapter follows the same organization as the preceding chapter. The total sample will be evaluated, followed by the total sample broken down by objectives/goals of the sender country. Pre-World War II sanctions will then be compared to post-World War II sanctions, as will U.S. to non-U.S. sanctions. The final evaluation will discuss the differences in all the groupings as well as similarities discovered by the empirical results.

### A. TOTAL SAMPLE

The most statistically significant indicator of the success of a sanction episode is the period of time that particular sanction is in force (PERIO). That may seem to be a revelation contrary to accepted theory, but it must be kept in mind that the period of time only accounts for about 6 percent of the reason for success. Two characteristics of the sender play an important role in the success of a sanction. The sender must be able to afford to institute a sanction (SGNP) and a portion of the sender's credibility can be said to be measured by the location of the sender (SREGN). Incidentally, all the senders were producers of military goods, since SPROD was constant throughout this sample. In addition to the sender's being able to afford the sanction, the target must keep his cost per capita down

by using other sources to circumvent the sanction (COCAP, INTAS). Though the overall cost to the target should not be prohibitive, if the target is a stable country it should be able to sidestep the sanction (COSTG, HEALT).

The total number of variables used in the analysis produced only 41 percent of the variation in the success score, while the significant variables made up 33 percent of the variation. There is still a high percentage of the success unexplained, but some of the variables which have been deemed significant in the literature have turned out not to have a major impact. Companion policies is one such variable, which shows that the role of force (covert, quasi or regular military) is not a significant contributor to the success of sanction episodes overall. The bottom line evaluation of the ability to predict the success of a sanction is hazardous at best. There is not a single formula for evaluating its effectiveness, since over 22 percent of the cases, based on the most significant variables known, were misclassified as being either successful or unsuccessful.

#### B. TOTAL SAMPLE BY OBJECTIVES

This grouping has the best percentage of predicting the success of a sanction episode. With the exception of obtaining modest changes to the target country policies, the other sets of cases have a high degree of predictability. In two sets there were only one misclassification each,

while in the last two the success or failure of the episode was classified exactly. Therefore it must be concluded that the type of objective has a significant impact on the successful classification and implementation of a sanction episode.

The first objective grouping, "modest changes in the target country policies,"<sup>64</sup> had three variables that were significant. Companion policies (the use of force) was the most significant indicator. Actually, it is the lack of the use of force that is most striking about this grouping. When covert force or quasi or military operations are used, the success of the sanction episode is diminished. The sender must again be able to afford to pay for the modest changes and his credibility must be good to follow through on his threats in order to succeed (SGNP, SREGN). Seventy percent of the variation in the success score is unaccounted for in this grouping, since the significant indicators only represent 32 percent of the variation.

The second objective grouping, "destabilization of target governments,"<sup>65</sup> also had only three variables that contributed to the success score. If the target government can get help from another source it can circumvent the sanction since it is usually in a bad position with respect to the amount of trade it conducts with the sender and appears to have been conducting that trade for quite some time (INTAS, PRIOR, TRADE). The variables above account for 57

percent of the variation in the success score, which leaves over 40 percent that is unaccounted for. Despite the small contribution the variables make towards the variation in the success score, only one case was misclassified.

The third objective grouping, "disruption of military adventures (other than major wars),"<sup>66</sup> had five variables which account for 57 percent of the variation in the success score. The target appears to be the main concern in this grouping. The area where the target is located, in addition to keeping the cost relative to its GNP down, is important (COGNP, TREGN). For the first time the educational level of the target country comes into play (HEDUC). As with the last grouping the amount of assistance the target can get from other countries can help it to sidestep the sanction despite the high level of trade it has already accrued with the sender country (INTAS, TRADE). Again, over 40 percent of the reasons for success are unknown but only one case was misclassified.

The fourth and fifth objective groupings, "impairment of military potential (including major wars) and other major changes in target country policies (including surrender of territory),"<sup>67</sup> had variables which accounted for 94 percent of the variation in the success scores. The fourth grouping concentrated on the costs the target had to bear (COGNP, COSTG and COCAP). Trade linkage played an important part in the determination of success (TRADE). For the first time,

the type of sanction employed was statistically significant to the classification procedure (TYPE). The fifth objective grouping was first concerned with the cost the target had to worry about, but also with the relative cost to the sender (COSTG, COSEN). In this grouping the type of sanction employed by the sender played an important part in achieving classification. The two groups together have the cost to the target and the type of sanction in common to their successful classification. The sample sizes are small for these last two groupings, therefore caution must be exercised in reporting these results as having universal applicability.

#### C. PRE VERSUS POST WORLD WAR II SANCTIONS

This grouping was set up to test Richard Elling's assertion that the global environment has influenced the outcome and initiation of sanctions as a policy instrument. The pre-World war II sample contained two variables that were significant to the classification procedure. To achieve 66 percent of the variation in the success score only the import concentration of the target and its region had to be known (IMCOM, TREGN). This could imply that the existing external power balance in the world at the time was of a much simpler makeup. The two variables still resulted in only one misclassification of the sample cases.

The post-World War II grouping produced 10 variables which only account for 51 percent of the variation in the



success scores. Those ten variables then resulted in 15 cases being classified incorrectly. Again, the assertion that the balance of power has become more complex and complicated could be an important influence, yet there is no way to quantify that assertion. It appears that to initiate a sanction in the post-World War II timeframe requires a much more complex understanding of the various processes that are at work within the international system.

#### D. U.S. VERSUS NON-U.S. INSTIGATED SANCTIONS

The seven variables that resulted in 31 percent of the variation in the success scores of the non-U.S. group only have one variable in common with the U.S. inspired group: cost to the target (COSTG). In the non-U.S. group the target is concerned with the cost as a whole and with the cost as a percentage of GNP (COSTG, COGNP). The size of the target's armed forces play a role in determining whether a sanction will be successful or not, which may have something to do with the sender's calculations of the strength of the target's military response, prior to instituting a sanction (TARMED). The target is also concerned with the amount of trade it has with the sender, as well as the concentration of its imports (TRADE, IMCOM). The stability of the target is also an influence on the success of a sanction instigated by a non-U.S. country (HEALT). Finally, the sender's population is statistically significant to the process of coercion (SPOP). Though there are a number of factors which



contribute to a successful sanction this grouping still managed to have 7 cases misclassified.

The U.S.-inspired sanctions fared no better than the non-U.S., with the six variables deemed significant resulting in 14 misclassified cases. The six variables only comprise 40 percent of the variation in the success score. When the U.S. institutes a sanction the size of its armed forces must stand for the credibility behind the sanction (SARMED). Both the cost to the sender and the cost to the target play a role in a successful U.S. sanction (COSEN, COSTG). The target is further concerned with a relative measure of the cost to its economy in terms of per capita (COCAP). The U.S. uses the size of its GNP to exert demands and uses that GNP to shape the period of time the sanction is in force (SGNP, PERIO). Even with those observations there are still 60 percent of the reasons for a successful U.S. sanction unknown! The major difference between the U.S. and non-U.S. inspired sanctions is the frequency by which sender countries use them. The sample of the non-U.S. sanctions is considerably smaller than the U.S. sample. This analysis cannot answer why the U.S. uses sanctions, only what variables must be looked at prior to the decision of implementing a sanction.

It is sometimes beneficial to look at some of the variables which are not contributors to a successful U.S. sanction. International cooperation with the sender does

not add to a sanction episode. It appears that conventional wisdom is incorrect when there are so many calls for ally support before instituting a sanction. It is more important to ensure that the target does not receive the needed support to circumvent the sanction than it is to have a large number of allies applying the sanction with the sender. The wisdom of using force, whether in the form of covert, quasi-military or regular military, is not a significant indicator of the success of an episode. Therefore it would be safe to say that using military force in conjunction with economic sanctions is a waste of badly needed resources. Surprisingly, the type of sanction used is not statistically significant to the outcome. Whether the U.S. refuses to buy the target's exports, aims at the imports from the target, or cuts off financial flows such as freezing assets, the success of the sanction episode depends on other factors. James Lindsay may be correct that international and domestic symbolism are the most important goals of a U.S. inspired sanction and the other goals may only be ancillary.<sup>68</sup> Policymakers may expect the sanction to fail in forcing the target into compliance, but their ultimate aim is to state the U.S. position on an international issue by using the forum of sanctions. Since the cost to the sender is an important variable and the nature of U.S. policy decisions is public, there must be accountability for using sanctions to achieve foreign policy goals.

## E. SIMILARITIES AND DIFFERENCES IN GROUPINGS

There are almost as many similarities as there are differences among the groupings of sanction episodes. The complexity of the number of different sets of factors which affect the successful classification of a sanction episode is overwhelming, as is the amount of variation in the success of a sanction that is not included within the variables chosen. An attempt will be made to determine some common bonds from the empirical results as well as inconsistencies between the groupings.

### 1. Similarities

The most pervasive variable which crops up in some form or another is the cost to the target. Whether stated as a percentage of GNP or per capita, the cost to the target is a significant indicator of differentiating between a successful sanction and an unsuccessful one in a majority of the groupings. Johan Galtung's vulnerability is also significant to the differentiation process. Vulnerability takes the form of the trade linkage existing between the sender and the target prior to the implementation of sanctions. It also takes the form of the measure of the concentration of imports which can admittedly be affected by a sanction episode directed toward those imports. The sanction can have a devastating effect if the sender is the sole supplier of the imported good and if the sender can prevent allies of the target from rendering assistance in the form of the good or

goods sanctioned. The assistance of an ally was a more significant indicator of the success of a sanction episode in the pre-World War II timeframe than it is today.

Economic variables are present in every grouping presented with at least one variable being significant to the classification procedure. The same can be said of political variables in all groupings except those conducted prior to World War II. Geographic and military variables are less common indicators of the success of the sanction. The exception again is that a geographic variable plays an important part in the differentiation process in pre-World War II cases. Military variables such as companion policies (use of force), target and sender armed forces are not persistent indicators of success.

## 2. Differences

Companion policies only play a part in the classification scheme when the sanctions are divided by objectives. The specific objective of "modest changes in target country policies" is the only grouping which contains the use of force. It actually has a negative connotation since the success depends on not using covert, quasi or regular military force to obtain success. As a whole, sanctions do not depend on the use of force to achieve success. It is possible that they depend on the target's perception of the willingness of the sender to actually use force that may really influence success. The size of the target and sender

armed forces becomes significant when the grouping is divided into U.S. and non-U.S. sanctions. This may mean that the U.S. is on the size of its forces to threaten the target institution while the target uses the size of its forces to enact the implied threat of using force.

The type of sanction initiated has utility only when aiming for objectives of "impairment of military potential or major changes in target country policies." The type of sanction imposed has no bearing on a sanction episode overall and is not a significant contributor to successful sanction imposed since World War II. The role of stability of a target nation has split results. It is important when a non-U.S. country is the sender and in post-World War II cases. It is also significant in total sample overall. Stability has no part in the allocation procedure when the episodes are broken down according to the goals of the sender country.

There are a number of variables that are important in only one group yet have no bearing on the total sampling. This is an indication of the complexity of each and every sanction episode and the fact that all the forces at work in determining success are not understood.

#### F. SUMMARY

The total analysis revealed that only 33 percent of the variation in a sanction episode overall are accounted for the most statistically significant



variables. A regression analysis of all the variables raised that to only 41 percent. The sanctions period was the most significant indicator for the classification procedure. All senders in the total sample were producers of military hardware. The senders should be aware of the role of their GNP. The sender's region is postulated to represent the credibility behind the sanction. On the other hand, the target must watch the cost of the sanction in terms of per capita effect. The target can sidestep the sanction's effect by finding another country to supply or buy the sanctioned good. The role of force (covert, quasi or regular military) is not a significant indicator of a successful sanction overall.

When the total sample was divided by the goals of the sender country, different results appeared. The ability to classify successful and unsuccessful sanctions was made slightly easier in two objective groupings (one misclassification each). Two other objective groupings produced a good classification scheme, with all cases being correctly classified. The largest objective grouping produced only 32 percent of the variation in the success score and resulted in 9 cases being misclassified. That objective, "modest changes in target country policies," was the only grouping in which companion policies were statistically significant. It was shown that force, measured by companion policies, had a negative impact on the success of a sanction in this



grouping. Seventy percent of the variance in the success scores for this grouping was not included in the variables used in the analysis.

The second objective grouping, "destabilization of target governments," had 40 percent of the variation in the success scores unaccounted for. The target is the main focus of the variables that are significant. The target has had good relations with the sender prior to the sanction and conducts a good deal of trade with the sender. To sidestep those variables the target must secure assistance from another country. The third objective grouping, "disruption of military adventures (other than major wars)," also left out 40 percent of the variation in the success scores. The target should be concerned with the cost, region and the amount of trade with the sender. To counteract the trade variable the target should seek assistance from another source for the sanctioned good. The fourth grouping, "impairment of military potential," focused almost exclusively on the target. The type of sanction was significant to success for the first time in the analysis. The various cost and trade indicators, together with the type of sanction, comprise 94 percent of the success score. The final objective grouping, "other major changes in target country policies," added the cost to the sender as an important indicator of success. The cost to the sender, along with the

cost to the target, comprised 94 percent of the variation in the success score.

Pre- and post-World War II cases were then surveyed. The cases prior to World War II had only two variables that were significant and led to the conclusion that Richard Ellings may have been correct in his assertion that the balance of power had changed over time and affected the institution of sanctions. Post World War II sanctions produced ten variables which accounted for less variance than the two variables of the pre-war era, lending further credence to Ellings' claim. U.S. and non-U.S. instigated sanctions were compared. The non-U.S. sanctions were mainly concerned with the target, while the U.S. sanctions included a few sender variables. It was asserted that James Lindsay may have been correct in his opinion that the U.S. institutes sanctions for the international and domestic symbolism involved.

The final section dealt with the similarities and differences in sanction groupings. The various costs to the target were present in different forms in almost all the groupings. Vulnerability in the form of trade with the sender and import concentration was an important factor in the classification procedure. Companion policies were shown to only affect one objective in a negative way and to not be a significant factor in the success of sanctions. Armed forces of either the sender or the target was not

significant to the analysis except in the U.S. and non-U.S. grouping. The final evaluation of the results indicates that a large percentage of the reasons for success are still unknown; therefore, except in the case of two small sample groups, sanctions cannot be accurately predicted. They have become extremely complex in the world today.

## VI. IN THE NATIONAL INTEREST?

This chapter will put aside the empirical results and categorize U.S. unilateral and multilateral sanctions into the various types of interests previously identified by Donald Neuchterlein. Those interests are defense, economic, world order and ideological.<sup>69</sup> The issues involved in each sanction case will be generalized and evaluated as to whether they are of survival, vital, major or peripheral intensity.<sup>70</sup> Finally Neuchterlein's matrix will be presented visualizing the position of sanctions with respect to the U.S. national interest.

### A. BASIC NATIONAL INTEREST

The issues involved in the U.S. sanction episodes must first be categorized into Neuchterlein's basic national interests (defense, economic, world order and ideological). The issues related to sanctions are listed in Appendix B. The multitude of sanction cases can be subjectively simplified into six different groups: human rights, nuclear safeguards, expropriation, destabilization, territorial and war. Now the task is to assign the various issue groups into one of the basic national interests.

1. Human rights: This issue is most easily identified as an ideological interest. The U.S. believes that its set of values expressed in the form of human rights are universally good and therefore should be followed by all nations.

2. Nuclear safeguards: The protection of the international system relies on the protection of nuclear weapons and their proliferation. This issue fits into the world order interest category.
3. Expropriation: This issue is most easily identified with the economic interest category. Most of the expropriation cases involve the seizure of U.S. company assets and not U.S. government properties.
4. Destabilization: This issue is mainly involved with the protection of world order interests. Sometimes the ideological label could be applied to destabilizing a government.
5. Territorial: This issue also is covered by the world order interest category. Occasionally the seizure of territory can be influenced by economic reasons, but on the whole, world order interests is a more accurate label.
6. War: This issue is most certainly of the defense interest category. Only during this issue can physical violence be used towards the homeland of the country initiating the sanction.

#### B. INTENSITY OF INTEREST

The next step in the process is to subjectively evaluate the basic national interests (issues) as to where they fit in the hierarchy of perceived intensities. The categories of intensities are survival, vital, major and peripheral as discussed in Chapter II.

1. Economic Interests (expropriation): The states well-being is not affected by the act of expropriation. Companies and private citizens suffer only. Therefore this must be classified as a peripheral interest.
2. World Order Interests (nuclear safeguards, destabilization and territorial): The states political, economic and ideological well-being could be adversely affected by this category. In some instances the nuclear safeguard issue could be raised to the vital category depending on the states involved. Thus must be classified as a major interest.



3. Ideological Interests (human rights): This certainly does not affect the sender state in any respect. It only affects citizens of other states. This must be classified as a peripheral interest.
4. Defense Interests (war): This is the only category where the homeland of the state involved could be threatened. There are only a few of the cases where the U.S. used sanctions that can fall into this category. This must be classified into the survival issue category when a war that can threaten the homeland is being waged, otherwise the majority of cases fall into the peripheral category.

#### C. MATRIX OF ECONOMIC SANCTIONS

Neuchterlein's matrix, depicting the national interest, will be presented to show where sanction issues stand (Table 21). In order to be in the national interest of the U.S., economic sanctions should have at least two basic interests in the vital category or at least one basic interest in the

TABLE 21

#### MATRIX OF ECONOMIC SANCTIONS

Country: U.S.	Issue: Economic Sanctions			
<u>Basic interest at stake</u>	<u>Intensity of interest</u>			
	Survival	Vital	Major	Peripheral
Defense of homeland				X*
Economic well-being				X
Favorable world order			X	
Ideological				X

\*Cases 171, 441 and 391 would be classified as survival issues; the majority of the cases under the war category did not threaten the homeland of the U.S.



survival category.<sup>71</sup> From the table above, sanctions do not generally fulfill the requirement for two vital interests. In the cases where the defense of the homeland is a survival issue(war) then sanctions fulfill the requirement and can be said to be in the national interest.

This has been a generalization of U.S. instigated sanctions. It must be remembered that issues which have been described above as being only in the realm of world order interests actually can have spillover into other categories as well. For this analysis the major category that the issue affects has been chosen for illustration. Additionally, intensities of interests change with time. An analysis of oil expropriation at the time it was happening would most likely result in a different intensity being assigned. Intensities of interest are also different for the parties involved. The sender of a sanction may view expropriation as a peripheral issue yet the country being targeted may view it as an issue that means its survival.

#### D. SUMMARY

The empirical results have been set aside and a different approach has been tried to assess the impact economic sanctions have on the U.S. national interest. Donald Neuchterlein's basic interests have been identified within the context of sanction issues. The basic interests include defense, economic, world order and ideological.

Sanction issues have been broken down into six categories: human rights, nuclear safeguards, expropriation, destabilization, territorial and war. Each issue has been assigned to the main basic interest that it affects. Human rights has been classified as an ideological interest. Expropriation has been classified as an economic interest. Nuclear safeguards, destabilization and territorial issues have been classified as world order interests. The final issue, war, has been classified as a defense interest.

Each basic interest was then evaluated on its intensity. The economic interests were deemed to be of a peripheral intensity. The ideological interests also fit into the peripheral category. World order interests were suggested to be of a major intensity. Defense interests could be classified as both of a survival or peripheral nature. The small number of cases where the homeland of the U.S. was actually threatened precluded assigning the survival label across the defense board.

It was determined that in order for any issue to be in the national interest there had to be at least two vital issues or at least one survival issue involved. Economic sanctions do not meet that requirement.

## VII. CONCLUSION

### A. EVALUATION OF ECONOMIC SANCTIONS

Economic sanctions have been successful in about 35 percent of the cases examined. To be successful they must score well in two areas: policy result and sanctions contribution to that policy result. The empirical data has shown that when all the cases are broken down by the goals of the sender, there is a good chance of predicting a successful sanction in only two of the five objective groupings. Two other groupings had one misclassified case each, while the largest objective grouping could do no better than result in 9 misclassified cases. This is the best result. The total sample analysis showed that there were 23 cases misclassified out of a total of 105. Only 41 percent of the variation in the success score could be accounted for by all 34 variables used in the analysis. That means that 60 percent of the forces that affect the processes of imposing a successful sanction are not discussed in the literature. A difference did appear in the sample when it was divided into pre- and post-World War II cases. There were only two variables which contributed to the differences between a successful and unsuccessful sanction in the pre-war sample. The post-war sample resulted in ten variables which were significant to the differences but produced less of an

accounting of the variation in the success scores overall. This appears to confirm, at least not contradict, Ellings' contention that the structural changes in the global context have influenced the success of sanctions. Sanctions imposed prior to World War II were of a simple nature, whereas later ones tended to be complex. The U.S. and non-U.S. split produced 7 and 14 misclassifications respectively. The common variable to the two groups was the cost to the target. The non-U.S. group focused on the target while the U.S. group focused on the sender. There were not many common themes in all the groupings (total sample, objective grouping, pre- and post-World War II, and U.S. and non-U.S.) other than the cost to the target expressed in many different forms.

Sanctions cases, in the light of the issues surrounding their imposition, were viewed as less than critical to the survival of the U.S. The basic national interests of the U.S. (defense, world order, economic and ideological) were shown to be on the peripheral in most sanction cases. Only the defense interest was evaluated to be of survival intensity in the cases involving the world wars. All other cases fell into the peripheral category. World order interests resulting from destabilization cases, nuclear safeguard cases and territorial cases were seen to be of a major concern to the U.S. but not vital. Economic interests were limited to private individuals and corporations, but not to

the U.S. as a whole. They were evaluated as also being peripheral to the survival of the U.S. Ideological interests, exemplified by the human rights cases, were also deemed to be peripheral to the survival of the U.S.

For economic sanctions to be in the national interest they must meet two criteria. First, the issue for which a sanction has been imposed must be evaluated as being of vital or survival intensity in at least two of the four basic national interest categories outlined in Nuechterlein's matrix. It has been shown that sanctions have not met the first criteria except in the cases involving the world wars. Generally, sanctions have been instituted to resolve issues that have been on the periphery of United States' basic national interests. Second, sanctions should be able to be predicted with a high degree of certainty that the sanction will be successful. A high degree of certainty is a subjective measure which lies between the best case of 100 percent predictability exhibited by two of the five objective groupings and the worst case of 75 percent predictability exhibited by the non-U.S. grouping. Realizing the shortfalls of social science predictive capacities a prediction percentage goal will be subjectively set at 90 percent. Using that figure as a standard, the predictions have fallen short of the mark. Therefore the second criteria also has not been met. Whether viewed from the perspective of the empirical data or from the perspective of issues surrounding



their imposition, economic sanctions appear to not be in the national interest of the United States. Therefore the hypothesis must be rejected.

## B. IMPLICATIONS

The United States continues to use sanctions as one of its main methods of signaling displeasure with a foreign policy issue. James Lindsay may be right in asserting that they are best used for international and domestic symbolism. The symbolic effect should be the primary objective in a sanction episode until the two previously listed criteria can be met. If policymakers are willing to pay the costs that a sender country must pay and are aware that only about one-third of the sanctions are successful in achieving goals other than symbolism, then sanctions can be utilized. Until more reasons for the success of sanctions are understood then they should be used only as symbolic measures and not as a panacea for all foreign policy problems. Other types of sanctions such as diplomatic and communication sanctions could also be used.<sup>73</sup> By using economic sanctions the trade variable, which may be a tool for influence, is automatically eliminated from any future influence operation. The use of military force in conjunction with economic sanctions has been shown to be not statistically significant to the outcome of an episode. The resources of the military are best used in its primary mission, not as an accompanying policy to a sanction.



One last variable, which is most difficult to quantify, is the credibility of the sender country. That, along with capability, certainly are the two main factors in any influence operation. Credibility of the sender is lost when the target can get a substitute good from a competitor or when the sender is trying to achieve a goal other than publicity. Policymakers must take all these factors into account before announcing that economic sanctions will be imposed, unless failure is their objective from the start.

## APPENDIX A

### SANCTION CASES BY OBJECTIVES

#### Objective: Modest Changes in Target Country Policies

<u>Case</u>	<u>Sender and Target</u>
331	UK v. USSR
381	US, UK v. Mexico
541	USSR v. Australia
562	US, UK, France v. Egypt
611	US v. Ceylon
623	USSR v. Romania
631	US v. UAR
641	France v. Tunisia
651	US v. Chile
652	US v. India
681	US v. Peru
682	US v. Peru
732	US v. South Korea
733	US v. Chile
742	Canada v. India
743	Canada v. Pakistan
751	US, Canada v. South Korea
752	US v. USSR
753	US v. Eastern Europe
754	US v. South Africa
761	US v. Uruguay
762	US v. Taiwan
763	US v. Ethiopia
771	US v. Paraguay
772	US v. Guatemala
773	US v. Argentina
774	Canada v. EC, Japan
776	US v. El Salvador
777	US v. Brazil
781	China v. Albania
782	US v. Brazil
783	US v. Argentina
784	US v. India
785	US v. USSR
791	US v. Iran
792	US v. Pakistan
793	Arab League v. Canada
794	US v. Bolivia
802	US v. Iraq
822	Netherlands, US v. Suriname

823	South Africa v. Lesotho
831	Australia v. France
832	US v. USSR
833	US v. Zimbabwe

Objective: Destabilization of Target Governments

<u>Case</u>	<u>Sender and Target</u>
181	UK v. Russia
441	US v. Argentina
484	USSR v. Yugoslavia
511	UK, US v. Iran
564	US v. Laos
581	USSR v. Finland
601	US v. Dominican Republic
603	US v. Cuba
612	USSR v. Albania
621	US v. Brazil
633	US v. Indonesia
634	US v. South Vietnam
653	UK, UN v. Rhodesia
701	US v. Chile
721	UK, US v. Uganda
775	US v. Nicaragua
788	US v. Libya
811	US v. Nicaragua
834	US, OECS v. Grenada

Objective: Disruption of Military Adventures  
(Other Than Major Wars)

<u>Case</u>	<u>Sender and Target</u>
211	League v. Yugoslavia
251	League v. Greece
321	League v. Paraguay, Bolivia
351	League v. Italy
401	US v. Japan
481	US v. Netherlands
491	US, CHINCOM v. Chile
563	US v. UK, France
572	France v. Tunisia
603	US v. Cuba
631	US v. UAR
633	US v. Indonesia
711	US v. India, Pakistan
741	US v. Turkey
755	US v. Kampuchea
787	China v. Vietnam

801	US v. USSR (Afghanistan)
821	UK v. Argentina

Objective: Impairment of Military Potential  
(Including Major Wars)

<u>Case</u>	<u>Sender and Target</u>
141	UK v. Germany
391	Alliance Powers v. Germany, Japan
461	Arab League v. Israel
485	US, COCOM v. USSR, COMECON
492	US, CHINCOM v. China
501	US, UN v. North Korea
544	US, South Vietnam v. North Vietnam
602	USSR v. China
801	US v. USSR (Afghanistan)
813	US v. USSR (Poland)

Objective: Other Major Changes in Target Country Policies  
(Including Surrender of Territory)

<u>Case</u>	<u>Sender and Target</u>
171	US v. Japan
482	India v. Hyderabad
483	USSR v. US, UK, France
542	India v. Portugal
543	Spain v. UK
561	US v. Israel (intermittent episodes)
571	Indonesia v. Netherlands
613	Western Allies v. GDR
622	UN v. South Africa
632	Indonesia v. Malaysia
635	UN, OAU v. Portugal
654	US v. Arab League
671	Nigeria v. Biafra
731	Arab League v. US, Netherlands
786	Arab League v. Egypt
812	US v. Poland
814	EC v. Turkey

## APPENDIX B

### U.S. INSTIGATED SANCTION EPISODES

<u>Case</u>	<u>Sender and Target</u>	<u>Issue</u>
381	U.S./UK v. Mexico	expropriation
401	U.S. v. Japan	Southeast Asia
441	U.S. v. Argentina	Peron
171	U.S. v. Japan	World World I (steel)
562	U.S./UK/France v. Egypt	Suez Canal
611	U.S. v. Ceylon	expropriation
631	U.S. v. UAR	Yemen/Congo
651	U.S. v. Chile	copper price
652	U.S. v. India	agricultural
681	U.S. v. Peru	French jets
682	U.S. v. Peru	expropriation
732	U.S. v. South Korea	human rights
733	U.S. v. Chile	human rights
751	U.S./Canada v. S. Korea	nuclear processing
752	U.S. v. USSR	emigration
753	U.S. v. Eastern Europe	emigration
754	U.S. v. South Africa	nuclear safeguards
761	U.S. v. Uruguay	human rights
762	U.S. v. Taiwan	nuclear processing
763	U.S. v. Ethiopia	exprop/rights
771	U.S. v. Paraguay	human rights
772	U.S. v. Guatemala	human rights
773	U.S. v. Argentina	human rights
776	U.S. v. El Salvador	human rights
777	U.S. v. Brazil	human rights
782	U.S. v. Brazil	nuclear safeguards
783	U.S. v. Argentina	nuclear safeguards
784	U.S. v. India	nuclear safeguards
785	U.S. v. USSR	dissident trials
791	U.S. v. Iran	hostages
792	U.S. v. Pakistan	nuclear safeguards
794	U.S. v. Bolivia	democracy/rights
802	U.S. v. Iraq	terrorism
822	U.S./Neth v. Suriname	human rights
832	U.S. v. USSR	KAL 007
833	U.S. v. Zimbabwe	UN voting record
481	U.S. v. Netherlands	Indonesia federation
491	U.S./CHINCOM v. China	Com. control of China
563	U.S. v. UK/France	Suez Canal
604	U.S. v. Cuba	Castro
711	U.S. v. India/Pakistan	Bangladesh
741	U.S. v. Turkey	Cyprus

755	U.S. v. Kampuchea	aftermath of Viet War
511	U.S./UK v. Iran	expropriation
564	U.S. v. Laos	prevent Com. takeover
601	U.S. v. Dom Republic	Trujillo
603	U.S. v. Cuba	Castro
621	U.S. v. Brazil	Goulart
633	U.S. v. Indonesia	crush Malaysia camp.
634	U.S. v. S. Vietnam	Diem
701	U.S. v. Chile	Allende
721	U.S./UK v. Uganda	Idi Amin
775	U.S. v. Nicaragua	Somoza
788	U.S. v. Libya	Qaddafi
811	U.S. v. Nicaragua	El Salvador War
834	U.S./OECS v. Grenada	democracy/rights
561	U.S. v. Israel	Palestina/border problem
654	U.S. v. Arab League	anti-boycott measures
812	U.S. v. Poland	martial law
485	U.S./COCOM. v. USSR/ COMECON	technology controls
492	U.S./CHINECOM v. China	Com. control of China
501	U.S./UN v. N. Korea	Korean War
544	U.S./S. Viet v. N. Vietnam	Vietnam War
801	U.S. v. USSR	Afghanistan
813	U.S. v. USSR	Poland
613	Western Allies v. GDR	Berlin Wall
391	Allies v. Germany/Japan	World War II



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| 11. Mr. R.H. Knouse                | 1 |
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| Melbourne Beach, Florida 32951     |   |
| 12. LT. Robert A. Gourley          | 1 |
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